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BOARD
MEMBERS

WILLIAM M. BENNETT
First District

CONWAY COLLIS
Second District

ERNEST J. DRONENBURG, JR.
Vice Chairman
Third District

RICHARD NEVINS
Chairman
Fourth District

KENNETH CORY
State Controller

DOUGLAS D. BELL
Executive Secretary

ANNUAL REPORT 1983-1984

CALIFORNIA STATE BOARD OF EQUALIZATION

FISCAL YEAR ENDED June 30, 1984

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STATE OF CALIFORNIA

STATE BOARD OF EQUALIZATION

1020 N STREET, SACRAMENTO, CALIFORNIA
(P.O. BOX 1799, SACRAMENTO, CALIFORNIA 95808)

WILLIAM M. BENNETT
First District, Kentfield

CONWAY H. COLLIS
Second District, Los Angeles

ERNEST J. DRONENBURG, JR.
Third District, San Diego

RICHARD NEVINS
Fourth District, Pasadena

KENNETH CORY
Controller, Sacramento

DOUGLAS D. BELL
Executive Secretary

The Honorable George Deukmejian
Governor of California

Dear Governor Deukmejian:

We are pleased to furnish to you the Annual Report of the State Board of Equalization for the 135th fiscal year, ended June 30, 1984. It includes a review of revenue activities assigned to the Board and a statement of our expenditures to administer them.

There is also included statistical information concerning both property and business taxes in which the Board is involved with state and local governments.

Respectfully submitted,

Richard Nevins, Chairman
Ernest J. Dronenburg, Jr., Vice Chairman
William M. Bennett
Conway H. Collis
Kenneth Cory, State Controller

Douglas D. Bell, Executive Secretary
December 31, 1984

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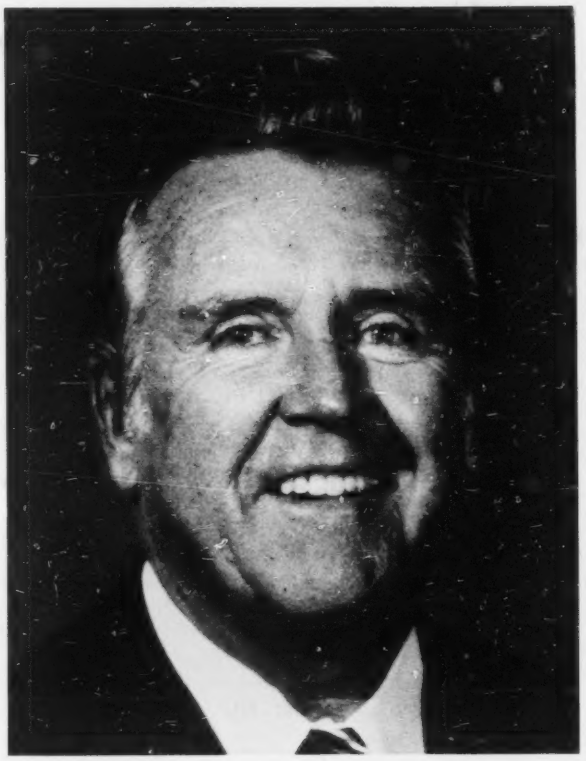
I. BOARD MEMBERS

First District



WILLIAM M. BENNETT

William M. Bennett began serving his fourth term as a Member of the Board of Equalization in January 1983. Mr. Bennett was reelected to represent the Third Equalization District in November 1982. However, under the 1983 reapportionment of the Board, that District was redesignated the First Equalization District and was expanded from 28 to 33 northern California counties.

Mr. Bennett is Chairman of the Board's Valuation of State Assessees Committee and of the Timber Advisory Committee. He served his first term as Chairman of the Board in 1972. When Board Chairman John Lynch died in office in December 1975, Mr. Bennett was serving as Vice Chairman. He was elected Chairman to complete Mr. Lynch's term, and was reelected in 1976, 1977, 1979, 1982. and 1983.

Mr. Bennett is a member of the State Bar of California and has been admitted to practice before the United States Supreme Court, appearing on behalf of the State of California eight times in significant criminal, civil, and antitrust litigation. He has practiced extensively before both state and federal regulatory agencies and commissions. In 1969 Mr. Bennett was permitted by the U.S. Supreme Court to make a special appearance as a self-appointed "consumer spokesman" to present an argument in antitrust litigation involving the El Paso Natural Gas Company. It was the first time in the history of the Court that an individual who was neither a party to a case nor representing a specific client was permitted to make such an extraordinary appearance.

Mr. Bennett began his government career as a Deputy Attorney General of California and served in that capacity for 12 years. In 1958, he was appointed chief counsel to the California Public Utilities Commission; in 1962, he was appointed a member of that Commission and later served as its president.

Mr. Bennett was born in San Francisco in 1918. He and Mrs. Bennett have four children: William, Jr., James, Michael, and Joan. During World War II, Mr. Bennett served as a captain in the Air Force, completing 50 missions in the 15th Air Force over Europe. Mr. Bennett has been a professor of law, teaching administrative law and consumer protection courses at Hastings College of Law, University of California, San Francisco.

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Second District

CONWAY H. COLLIS

Conway Collis represents the Second Equalization District which includes the western and San Fernando Valley portions of Los Angeles County, all of the coastal counties north through San Francisco, and most of the San Joaquin Valley counties.

Since California is the only state to have direct election of tax officials, Mr. Collis has sought to serve as an ombudsman or "taxpayers' representative" for the people in his district. Because he holds "open office" hours throughout his district, area taxpayers have a chance to talk to him directly about their tax problems.

As a result of these sessions, he has sought to help both individual taxpayers, as well as address the need for reforms in California's tax policy. He has worked towards lessening red tape for individual and business taxpayers in all tax areas. He has advocated the closing of several exemptions that would result in an overall reduction of the state sales tax. He is sponsoring a ballot initiative that would simplify the state income tax filing system. With an awareness of the long-term effect a tax ruling can have, Mr. Collis tries to view each case brought before the Board with compassion and fairness. He has also developed a proposal to provide tax credits to employers that provide child care services to their employees.

Mr. Collis was born in Chicago, Illinois, in 1948 and moved to California in 1966. He graduated with honors from Occidental College in 1970 and from Stanford Law School in 1974.

After graduation from Stanford, he served as a counsel on the U.S. Senate Labor and Human Resources Committee and domestic policy advisor to U.S. Senator Alan Cranston (1974–1977) in Washington, D.C.

Collis directed Senator Cranston's statewide field and finance operations from 1978–1980. Before resigning to run for the Board of Equalization in 1982, Mr. Collis was Executive Director of the U.S. Senate Democratic Leadership Circle.

A former high school and college athlete, Collis runs, lifts weights, and holds a black belt in karate.

He is married to Margaret S. Henry, President of the Women Lawyers Association of Los Angeles and a member of the State Bar's Commission on Judicial Nominees Evaluation. They have one child, Everett Henry "Rocky" Collis, born in January, 1984.

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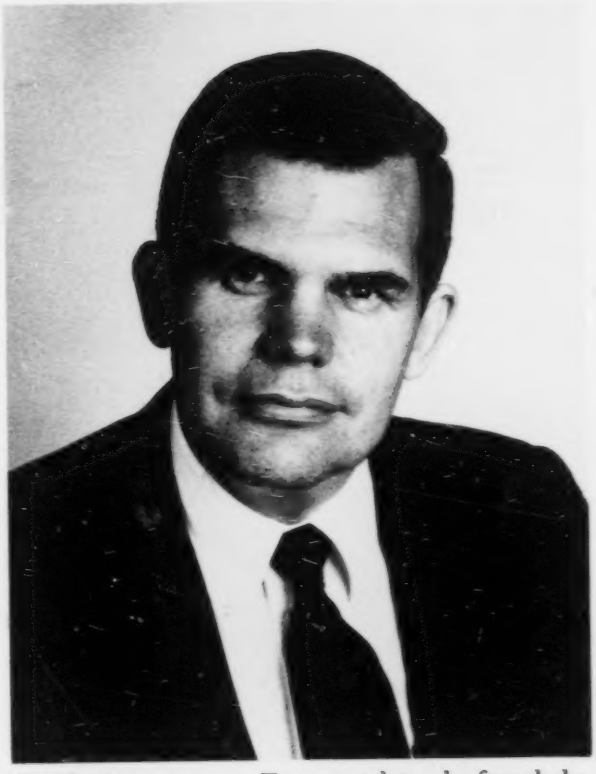
Third District

ERNEST J. DRONENBURG, JR.



Ernest J. Dronenburg, Jr. is the first Republican elected to the Board of Equalization in 24 years. In his 1982 reelection he received more than a million votes. His district, which extends from Mono County to the Mexican border, includes the urban areas of San Diego and Orange County. The district has more than six million people and covers a geographical area larger than the states of New York and Pennsylvania combined.

Mr. Dronenburg grew up in San Diego and graduated from San Diego State University in 1966 with a B.S. degree in finance and accounting and a B.A. degree in economics. After graduation he worked for five years as an industrial engineer for NCR and the Rohr Corporation.

In 1971, he was employed by the Board in the Business Taxes Department as an auditor, and was a field audit supervisor at the time of his election to the Board. Though many have attempted it, Mr. Dronenburg is the first employee in the 100-year history of the agency to be elected to the constitutional office of Board Member.

Prior to his election, Mr. Dronenburg was also a businessman in his own right. In 1973, working in his off hours, he helped start a racquetball equipment distributing company. Two years later, he founded a racquetball and tennis racket manufacturing company.

In 1984, Governor Deukmejian appointed Mr. Dronenburg and State Finance Director Jesse Huff to be the ex-officio members of the Tax Reform Advisory Commission.

Among Mr. Dronenburg's professional affiliations, is his membership in the National Association of Tax Administrators and the National Association of Accountants. He is Secretary-Treasurer and a member of the Executive Committee of the Western States Association of Tax Administrators and a member of the Board of Directors of the Western Tax Association. He was the developer of the Wages and Salaries (WAS) Index theory for indexing the California Personal Income Tax.

Mr. Dronenburg is a member of the Board of Directors of San Diego County Youth for Christ, a member of the Board of Directors of the Clair Burgener Foundation for Developmentally Disabled, a member of the Board of Governors of the United Cerebral Palsy Association of San Diego County, a member of the San Diego Kiwanis Club and the San Diego County Association for Retarded Citizens. He is also a member of the College Avenue Baptist Church and serves as Church Financial Auditor.

He and his wife, Kathryn, and three daughters, Kristin, Amy, and Stephanie, live in San Diego County.

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Fourth District

RICHARD NEVINS

Richard Nevins was first elected in 1958 to represent the eight southern California counties with 11 million population that comprised the Fourth District at that time. The 1971 and 1983 reapportionments made all the Districts equal. The Fourth District currently has six million population in the southern, central, and eastern portions of Los Angeles County consisting of a major portion of the City of Los Angeles and 74 other incorporated cities—the central core of California's business economy. Although relatively small in area, this District's gross product and personal income exceed amounts registered by all but a few nations of the world and 41 of the United States.

Understanding and sensitivity to the concerns of all taxpayers, tax law reform, removal of secrecy from tax administration, and economy of operation are the continuing priorities of Richard Nevins.

He advocates an overall review of California's tax structure to insure that no one group receives special tax breaks or advantages at the expense of other taxpayers. Proposition 13 has made a great change in the structure of state and local taxes, and has created a shift in power relationships.

LOS ANGELES COUNTY
(Southern and Central Portion)

Mr. Nevins is Chairman of the Board's Legislative Committee which forms the basis for formal recommendations by the Board to the Legislature and the Governor on tax-related bills. Each year the Board proposes legislation to amend existing laws where its experience has shown that administrative or statutory problems exist.

Mr. Nevins is President of the National Association of Tax Administrators, Finance Chairman of the Federation of Tax Administrators, and is a member of the Executive Board of the Western States Association of Tax Administrators. His other professional and civic organizations include the International Association of Assessing Officers, California Association of County Assessors, and American Society for Public Administration.

A native of Pasadena, Mr. Nevins attended Yale University where he graduated with an A.B. in Government in 1943. Following duty in the Army Air Force, he was affiliated with a nationwide insurance brokerage firm until his election in 1958. He and his wife, the former Mary Lois Minton, have three sons and three grandchildren.

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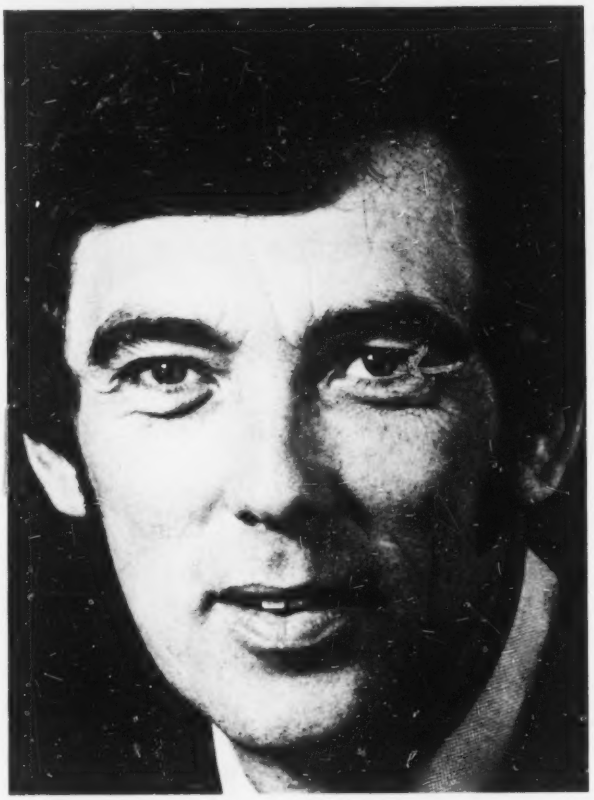
State Controller

KENNETH CORY



Kenneth Cory became California's 26th State Controller on January 6, 1975, after winning election in November 1974. He was elected to a second term in 1978 and a third term in 1982.

Before becoming Controller, Mr. Cory was elected to four consecutive terms in the California State Assembly, representing the 69th District in Orange County which included his home city of Westminster. Earlier he served as Chief Consultant to the Assembly Education Committee and as Chief Administrative Officer of the Assembly. He has also engaged in farming and the insurance business.

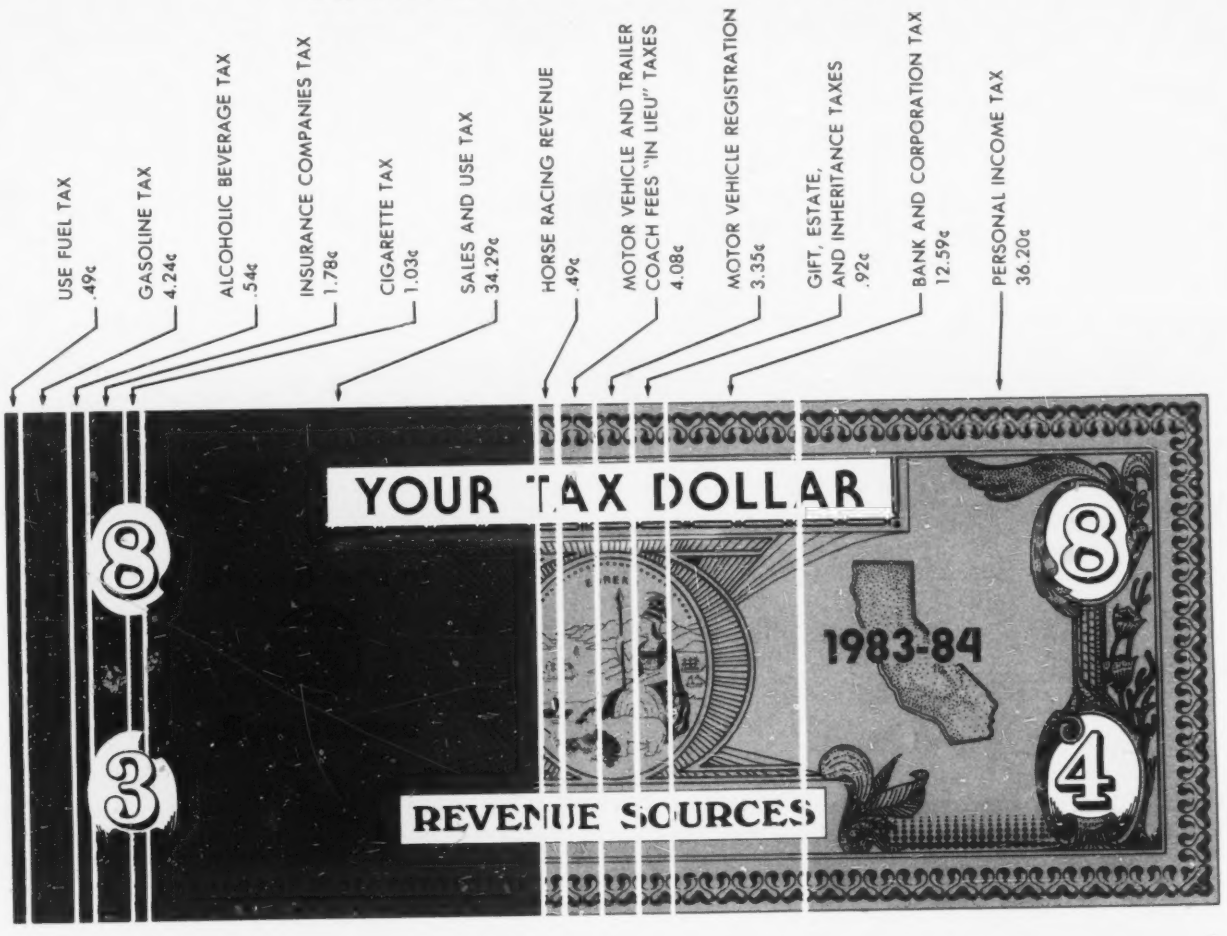
In 1970 his colleagues in the Assembly elected him chairman of the Democratic Caucus. As chairman of the Legislature's Joint Committee on Public Domain, he gained recognition for his investigation of price-fixing practices by major oil companies in California. He served as a member of standing committees on Education, Elections and Reapportionment, Revenue and Taxation, and Ways and Means.

Mr. Cory is known as one of California's leading authorities on education and school finance. He is the author of several important pieces of education legislation including bills to require instruction on dangerous drugs in public schools, to establish classes for multi-handicapped youngsters, and to enable schools to use resources of the private sector to develop innovative programs to improve reading and arithmetic instruction. He also led the fight for Superintendent of Public Instruction Wilson Riles' early childhood education legislation.

Successful Cory environmental legislation now guarantees public access to beaches and gives tax incentives to motorists driving vehicles powered by non-polluting fuels. In November 1972, voters approved the Cory-authored constitutional amendment guaranteeing citizens the right of privacy. His consumer protection efforts were recognized by the Consumers Legal Action Council in 1972 when he was named Southern California Consumer Legislator of the Year.

Born in Kansas City, Missouri, Mr. Cory moved to southern California with his parents in 1939 when he was one year old. He is a graduate of Huntington Beach High School and attended Orange Coast College, the University of Southern California and the University of California, Berkeley and Los Angeles.

SOURCES OF STATE REVENUE


USE FUEL TAX .49¢
GASOLINE TAX 4.24¢
ALCOHOLIC BEVERAGE TAX .54¢
INSURANCE COMPANIES TAX 1.78¢
CIGARETTE TAX 1.03¢
SALES AND USE TAX 34.29¢
HORSE RACING REVENUE .49¢
MOTOR VEHICLE AND TRAILER COACH FEES "IN LIEU" TAXES 4.08¢
MOTOR VEHICLE REGISTRATION 3.35¢
GIFT, ESTATE, AND INHERITANCE TAXES .92¢
BANK AND CORPORATION TAX 12.59¢
PERSONAL INCOME TAX 36.20¢
YOUR TAX DOLLAR
1983-84
REVENUE SOURCES

MAJOR STATE TAXES AND LICENSES IN CALIFORNIA
Fiscal Year ended June 30, 1984

Taxes administered by the Board of Equalization produced $543,861,000 in property taxes and $13,192,063,000 in business taxes for a total of $13,735,924,000. The Board's costs totaled $97,575,000 for an average of 71 cents for each $100 of revenue.

	1983-84 Fiscal Year		
		Percentages	
Board of Equalization	Revenue	Change from 1982-83	of Grand Total
Sales and Use Tax	$8,797,865,362	12.9	34.29
Gasoline and Jet Fuel Tax	1,087,471,892	28.9	4.24
Use Fuel Tax (mostly diesel fuel)	125,695,435	34.8	0.49
Insurance Companies Tax	457,489,042	37.9	1.78
Cigarette Tax	263,231,230	3.1	1.03
Alcoholic Beverage Tax	137,432,908	0.9	0.54
Grand Total—Board of Equalization	$10,869,185,869	10.0	42.37

	1983-84 Fiscal Year		
		Percentages	
Other Agencies	Revenue	Change from 1982-83	of Grand Total
Personal Income Tax	$9,288,813,052	20.6	36.20
Bank and Corporation Tax	3,231,280,772	27.4	12.59
Motor Vehicle "in lieu" Tax	1,013,029,847	34.4	3.95
Trailer Coach Fees "in lieu" Tax	33,867,681	20.4	0.13
Motor Vehicle Registration and Other Fees	860,053,989	4.2	3.35
Estate Tax	127,873,572	352.5	0.50
Inheritance Tax	105,699,298	-78.0	0.41
Gift Tax	2,878,604	-65.4	0.01
Horse Racing Revenue	124,802,129	18.7	0.49
Total—Other Agencies	$14,788,298,944	18.6	57.63
Grand Total—All Agencies	$25,657,484,813	15.0	100.00

Source: State Controller's "Summary Statement of Revenues for the General Fund and Other Governmental Cost Funds", Fiscal Year ended June 30, 1984.

II. THE BOARD

The State Board of Equalization, California's major revenue agency, is the nation's only board of tax officials who are constitutional officers elected to represent geographic districts and administer state and local tax programs.

The California tax system exemplifies the principle of taxation with representation. It has provided more than a century of continuity in California's tax administration through a career staff that is not affected by changes in the state's elected administrations. Nationally and internationally, the Board has earned a reputation for efficiency, economy of operation, and innovation in tax administration.

The Board was first established in 1870 by legislative act to regulate property assessments among the counties. That Board consisted of the State Controller and two Members appointed by the Governor. The Constitutional Convention of 1879 amended the State Constitution to establish the Board in its present form, providing that each of the four existing original Congressional Districts elect its own Member to the Board. The State Controller was designated an ex officio Member to serve at-large.

Although there have been numerous changes through the years in the number of Congressional Districts, no change has been made in the number of Board Members, nor in their four-year elective terms. The Legislature was later directed by the Constitution to redistrict the state after each decennial census into Equalization Districts as nearly equal in population as practicable. The most recent reapportionment was completed in 1982 and became effective October 18, 1983, realigning the District boundaries so that each of the four District Board Members currently represents approximately 6.5 million Californians.

The photograph on this page shows the Board in session at its Sacramento headquarters. The Board Members are (from left) State Controller Kenneth Cory, Conway H. Collis, Richard Nevins, Ernest J. Dronenburg, Jr., and William M. Bennett. For 1984, the Board elected Richard Nevins Chairman and reelected Ernest J. Dronenburg, Jr. Vice Chairman. The Chairman of the Board of Equalization also serves as a Member of the Franchise Tax Board with the State Controller and Director of Finance.

The Chairman conducts Board meetings, convenes special meetings, and appoints Board committees for legislation, valuation of state-assessed public utilities, local property tax, data processing, tax information for the public, personnel, and equal employment opportunity. The committees develop and recommend policies for Board approval. Each committee is chaired by a Board Member and is composed of key staff members.

The Board appoints an Executive Secretary to coordinate its appellate functions and rule-making responsibilities, to direct Board programs and the activities of the staff, and to implement the policies

adopted by the Board, the directives it issues, and the actions it takes.

The Board employs a staff of more than 2,700 auditors, appraisers, registration and collection technicians, analysts, clerical support personnel, and other specialists in its Sacramento headquarters, in 67 field offices throughout California, and in offices the Board operates in New York, Chicago, Houston, and Sacramento to serve taxpayers who do business in California although their headquarters and records are located in other sections of the country.

Directly and indirectly, the Board is responsible for state and local revenues of more than $19 billion. Established originally to oversee the property tax, since 1911 the Board has been assigned the administration of almost every tax program enacted by the state. Today the Board administers tax programs that involve virtually every aspect of California commerce in the seventh greatest economic entity in the world.

During fiscal year 1983–84, the tax programs administered by the Board generated $10.4 billion in general fund and special fund revenues for the state, an increase of 12.6 percent over the preceding year's total of $9.3 billion. The Board also collected $2.76 billion in sales and use taxes for the cities, counties, and transit districts.

Board assessment of privately owned public utilities produced $530 million in local property taxes. The Board collected $576,000 in private railroad car taxes for the state, and, for distribution to local government, the Board collected $13.2 million in timber taxes and $78.5 million in cigarette taxes (the portion that is distributed to local government).

The formal actions of the Board may be classified as administrative, quasi-legislative, and quasi-judicial.

As an administrative body, the Board adopts capitalization rates, classifies unitary and nonunitary properties of public utilities and railroad companies, and determines the property value of the individual assessees for local property taxation. The Board administers the Sales and Use Tax, the Motor Vehicle Fuel License (gasoline) Tax, the Use Fuel Tax, Alcoholic Beverage Tax, Cigarette Tax, Insurance Tax, Timber Tax, the 911 Emergency Telephone Users Surcharge, the Electrical Energy Surcharge, the Hazardous Waste Substance Taxes, and the Moore Universal Telephone Service Tax.

In its quasi-legislative capacity, the Board adopts rules and issues directives for the guidance of industry and county assessment appeals boards. In its administration of local property taxes, the Board prescribes property tax forms, publishes handbooks for the assessors' use in establishing uniformity among the counties, and oversees assessment practices. For the Sales and Use Tax and other business taxes it administers, the Board adopts regulations and publishes tax law guides and tax tips booklets for many different types of business to help taxpayers comply with tax law requirements.

In its quasi-judicial role, the Board serves as the appellate body in final actions of the Franchise Tax Board under the state's Personal Income Tax, Bank and Corporation Tax, and Senior Citizens' Property Tax Assistance and Postponement Laws. The Board considers petitions for redetermination of sales taxes and other business tax matters and appeals of insurance companies under the Insurance Tax Law. In property taxes, the Board considers appeals of assessments made by county assessors on lands, water rights, and certain improvements on property owned by local government but located outside its boundaries, and appeals of reviews made by Board staff in its survey of property assessed by county assessors.

The Board meets about 80 days throughout the year, in Sacramento every month and as often as necessary in other California cities. In 1983–84, the Board met in Sacramento, Arcadia, San Diego, Santa Monica, Santa Ana, and San Jose.

A chronological history on the next page records the evolution of the Board of Equalization, listing the laws, duties, and functions assigned to the Board since its inception.

HISTORY OF THE STATE BOARD OF EQUALIZATION

1870 State Board of Equalization created by Legislature to deal with property assessment abuses among counties. Board consisted of State Controller and two members appointed by Governor. [1]

1879 State Board of Equalization established under the State Constitution to regulate county assessment practices, equalize county assessment ratios and assess properties of intercounty railroads. Board consisted of four members elected from Equalization districts and the State Controller. [2]

1911 Constitutional Amendment provided for Board assessment of corporation franchise taxes, bank share tax, gross receipts taxes on public service corporations (utilities), and insurance taxes.

1923 Motor Vehicle Fuel (gasoline) Tax enacted.

1929 Bank and Corporation Franchise Tax enacted with State Board of Equalization as an administrative appellate agency replacing previous assessing function.

1933 Retail sales tax, motor vehicle transportation license tax, and alcoholic beverage tax enacted. Riley-Stewart Plan enacted—assessment of designated public utility properties for local tax purposes.

1935 Use Tax enacted—provided further revenue, protected California retailers from tax-free competition from out-of-state sellers. Personal Income Tax enacted with State Board of Equalization as an administrative appellate agency.

1937 Use Fuel Tax enacted—diesel tax became a supplement to the gasoline tax.

1937 Private Car Tax enacted—state tax on privately owned railroad cars.

1951 Administration of Itinerant Merchants Act transferred by legislation from the Public Utilities Commission to the Board of Equalization. This law imposed an annual fee on persons hauling produce across county lines.

1955 Constitutional Amendment transferred licensing and control of alcoholic beverages from the Board of Equalization to a new Alcoholic Beverage Control Department and the appellate function to the Alcoholic Beverage Control Appeals Board. Taxing functions remained with the Board.

1955 Board-administered Local Sales and Use Taxes program initiated. All California cities and counties were included by 1962.

1959 Cigarette Tax enacted.

1961 Itinerant Merchants law repealed.

1963 Subscription Television Tax enacted.

1964 Subscription Television Tax repealed by an initiative measure.

1966 Property Tax Assessment Reform Law enacted—mandated certification and training of appraisers, surveys of county assessors' offices, and development of property tax rules and regulations. Also added an appeal procedure at the staff level to the sample property appraisal process.

1967 Legislative action increased the Cigarette Tax and provided that 30 percent of the receipts be distributed to cities and counties according to an equitable allocation formula based on local sales tax allocations.

1969 Aircraft Jet Fuel Tax enacted.

1970 State-administered Transit District Sales Tax program enacted—Bay Area Rapid Transit District and Southern California Rapid Transit District.

1973 Motor Vehicle Transportation License Tax repealed.

1974 Waxman-Dymally Campaign Disclosure Legislation enacted—provided for audit of campaign statements. This activity terminated late in 1975 with passage of Proposition 9, Political Reform Act, in November 1974.

1975 Electrical Energy Surcharge enacted—to fund the State Resources Conservation and Development Commission.

1976 Timber Yield Tax enacted. Emergency Telephone Users Surcharge Law enacted.

1977 Litter Control, Recycling, and Resource Recovery Assessment Act enacted.

1978 Proposition 13 adopted by the electorate June 6, 1978 added Article XIIIA to the California Constitution. It changed the system of real property taxation by restricting the maximum ad valorem tax to 1 percent of full cash value, permitting a maximum 2 percent annual increase in the fair market value base to reflect inflation.

1978 Proposition 8 adopted November 7, 1978 amended Article XIIIA to allow reduction of the full cash value base of real property to reflect substantial damage, destruction, or other factors which cause the value to decline.

1979 Litter Control, Recycling, and Resources Recovery Act amended, ending the assessment and allocating funding from the state's general fund.

1982 Administration of two hazardous substances taxes assigned to the Board by legislation. One is imposed on persons who generate hazardous waste and dispose of it in California. The other, transferred from the Department of Health Services, is imposed on operators of waste disposal sites.

1984 The Moore Universal Telephone Service Act imposed a tax on certain intrastate telecommunications to subsidize basic telephone service for those who cannot afford it. Tax rates, eligibility, and service systems are determined by the Public Utilities Commission. The Board collects the tax.

---

[1] Although California Governor H. H. Haight "strongly advocated in his message of 1869 the establishment of a state board of equalization, "it was not until April 4, 1870 that "the legislature passed a bill . . . creating a state board of equalization composed of the state controller and two members to be appointed by the governor for a term of four years."

—A Financial History of California,
by William C. Fankhauser—1913

"The Board held its first meeting on the second Monday of July, 1870, and organized by electing Robert Watt (Controller) President and E. W. Maslin, Secretary of the Board." The Legislature's Act of April 4, 1870 did not go into effect until July 1 1870.

—First Biennial Report of the
State Board of Equalization
November 1, 1871

[2] The Board in its present form was established by Article XIII, section 9 of the Constitution of 1879. "As originally ratified, (it) provided that the board should consist of one member from each congressional district in the State, to be elected by the qualified electors of their respective districts at the general election to be held in 1879, whose term of office, after those first elected, should be four years, and that the Controller should be ex officio a member of the board."

—California Blue Book or State Roster—1909

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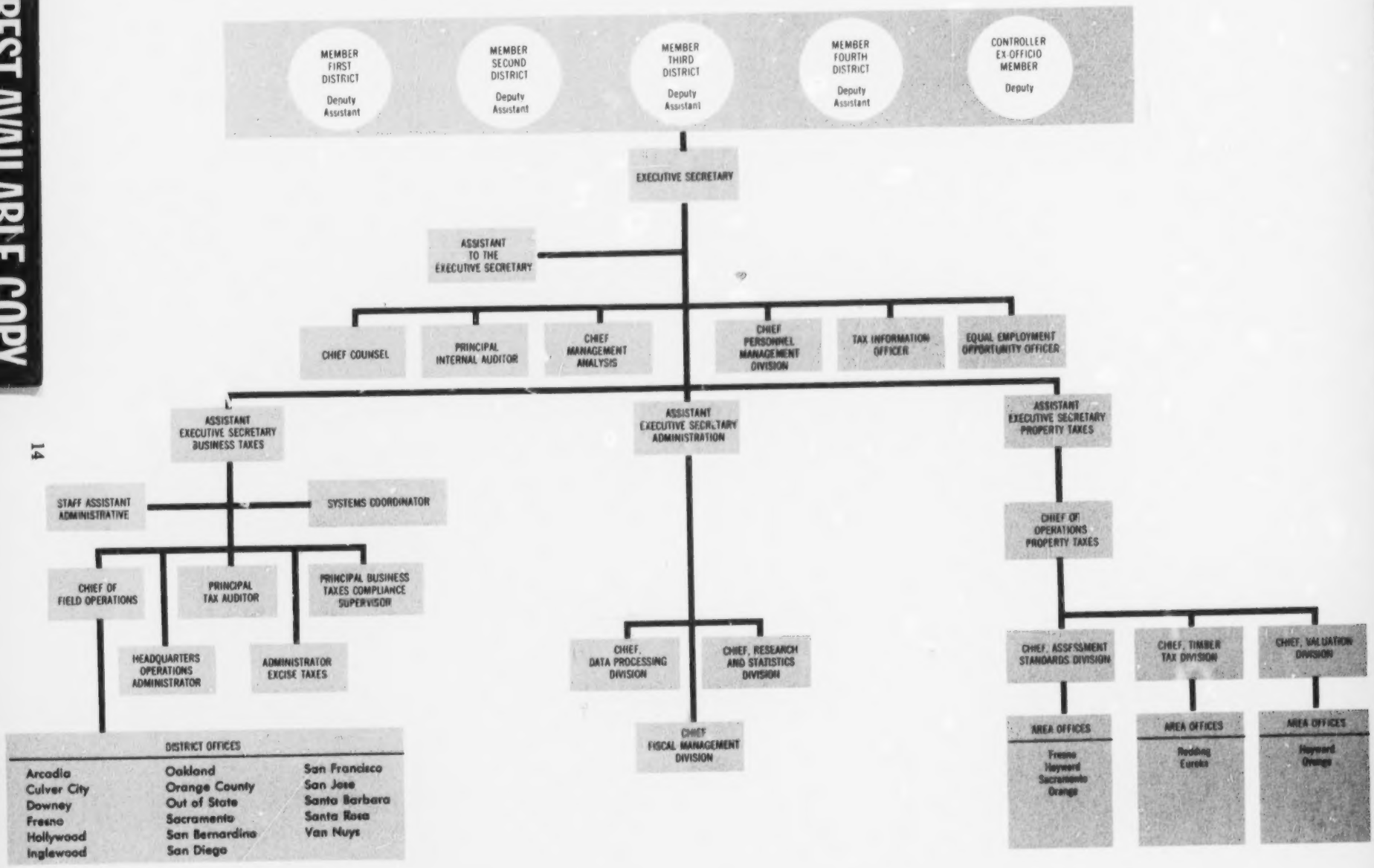


III. ADMINISTRATION

DOUGLAS D. BELL
Executive Secretary

LAWRENCE A. AUGUSTA
Assistant Executive Secretary
Administration

J. D. DOTSON
Assistant Executive Secretary
Business Taxes

GORDON P. ADELMAN
Assistant Executive Secretary
Property Taxes

JAMES J. DELANEY
Chief Counsel

Office of the Executive Secretary

With a budget of $68,377,000 and a staff of 2,775 the Board of Equalization administers 15 tax programs which generated $13.7 billion in state and local revenue during the 1983–84 fiscal year. It functions as one of the largest departments of revenue in the world.

An Executive Secretary, appointed by the Board Members, is responsible for directing the administration of those tax programs and for organizing the public meetings of the Board to hear tax appeals, adopt rules and regulations, take action on administrative policy matters, and conduct other Board business as required. The Executive Secretary interprets and implements Board policies, rules, and guidelines and recommends changes in policy.

He is assisted by a Chief Counsel and three Assistant Executive Secretaries for Business Taxes, Property Taxes, and Administration—the three main components of the Board's organization.

Douglas D. Bell has been Executive Secretary for the Board since May 1, 1977. Mr. Bell joined the Board in 1947 and is the first Board employee promoted to the chief administrative officer position since the Board was created in 1879.

James J. Delaney came to the Board in 1956 and was appointed Chief Counsel on January 1, 1977. Mr. Delaney was formerly Assistant Chief Counsel for Property Taxes.

J. D. Dotson, Assistant Executive Secretary for Business Taxes, has served in that position since January 1, 1977. Previously, Mr. Dotson was Chief of Field Operations for Business Taxes. He has been a Board employee since 1950.

Gordon P. Adelman was named Assistant Executive Secretary for Property Taxes on May 1, 1979. A Board employee since 1966, Mr. Adelman was formerly Assistant Executive Secretary for Administration.

Lawrence A. Augusta was appointed Assistant Executive Secretary for Administration on March 2, 1984. Former Legislative Representative and Assistant Chief Counsel for Property Taxes, Mr. Augusta has worked for the Board since 1968. He succeeded Benjamin P. Dye who retired from state service in February 1984.

Specialized Support Services

The Board has specialized control and support units which assist in the administration of its tax programs to ensure effectiveness and efficiency. Administrative support is provided in legal counseling, management analysis, banking and cashiering, budgeting and fiscal management, data processing, mail processing, statistical research and analysis, internal

audit, tax information, personnel management, equal employment opportunity development, employee assistance, labor relations, printing and supply, and facilities management.

Legislative Analysis

During the two-year 1983–84 California legislative session, a record 6,570 bills and constitutional amendments were introduced. The Board followed 474 measures related to the tax programs it administers and targeted 384 for detailed analysis of their fiscal, legal, and program implications.

Bill analysis is coordinated by the Legal Section. The Research and Statistics Division estimates the effect on revenues. The Management Analysis Section calculates the cost of administration. The Business and Property Taxes Departments analyze the effect of proposed legislation on existing tax programs or determine the requirements for administering the new tax program.

Major issues of concern to the Board during the 1983–84 legislative session centered around a sales tax penalty amnesty proposal, a bill to change the property tax lien date from March 1 each year to January 1, and a bill which created supplemental county property tax rolls in order to assess changes of ownership and completion of construction as they occur, rather than on the subsequent lien date.

The Board's Legislative Committee reviews all proposed tax legislation and recommends to the Board a position on each bill. The committee also formulates the Board's annual legislative program which proposes changes to the law in areas where its experience has shown that administrative, technical, or policy changes are indicated. In 1983–84 the Board sponsored five bills. One would impose a minimum $500 penalty for each misuse of a resale certificate to avoid paying sales tax. Another measure would close certain records during private railroad car tax appeal hearings in order to protect trade secrets. The others were technical changes to tax laws.

Staff Counsel Mary Armstrong consults case law related to a taxpayer appeal under the Franchise and Personal Income Tax Law.

Staff Counsels Martha Wilson and Lou Bertone research Franchise Tax Law in the Board's Legal Library.

The Legal Section, in conjunction with tax program staff, drafts the proposed bills and bill amendments which comprise the Board's legislative program. Board attorneys and program staff also assist legislators by drafting bills upon request and providing information and testimony before the taxation and fiscal committees of both houses of the Legislature.

Legal Services

A staff of 35 attorneys in the Legal Section provide the legal services necessary to administer the Board's tax programs.

Board attorneys serve in an advisory capacity furnishing legal opinions to the Board, advising the 58 county assessors on the application of property tax laws, and providing the public with written and oral interpretations of the tax laws. The legal staff aids in the collection of delinquent taxes and drafts the administrative rules and regulations adopted by the Board.

The legal staff participates in the Board's annual valuation of privately owned public utilities and railroad cars owned by nonrailroad companies, advising the appraisal staff on the application of property tax law and presenting the staff's position at state assessee hearings before the Board. Appeals by the utilities and private railroad car companies have increased dramatically in both the number of cases and the complexity of issues.

The legal staff assists the Board in its role as an appellate body by conducting preliminary hearings on sales tax and other business tax appeals and preparing summaries and recommendations for disposi-

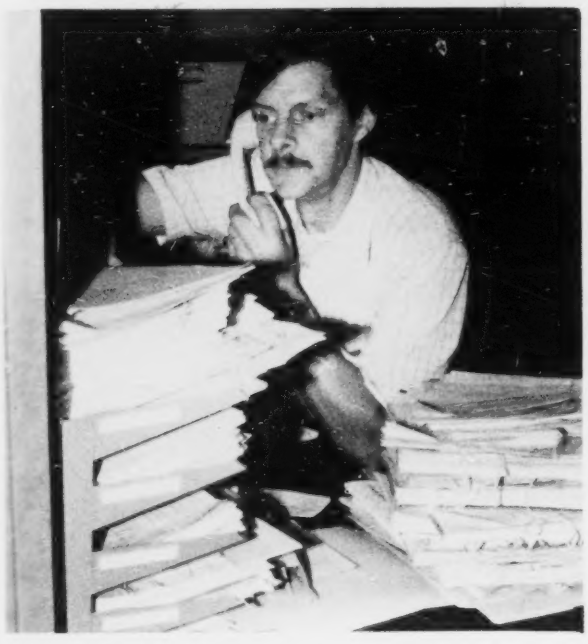
tion by the Board. In 1983–84, a record 837 decisions were rendered by ten hearing officers, 27.2 percent of which proceded to the next level of review, a hearing before the Board where the legal staff presents the available facts and an analysis of the law. The Board heard oral arguments on 228 business taxes appeals during 1983–84.

The legal staff also assists the Board in hearing appeals from the Franchise Tax Board actions on Personal Income Tax and Bank and Corporation Tax cases. The number of appeals filed has grown dramatically in recent years from 540 in 1978–79 to 2,315 in 1983–84. To speed the appeal process, the Legal Section has streamlined its procedures for handling the more routine, single-issue cases. The installation of an automated case inventory, which displays essential case data including the issue involved, is calculated to help the legal staff keep abreast of its growing workload.

Approximately one-third of the Board's Franchise and Income Tax appeals are filed by various tax protesters, who argue that the income tax is unconstitutional, that wages are not taxable income, that federal reserve notes are worthless since they are not backed by gold, or that they have taken a "vow of poverty" and turned their income over to a trust or an organization. A significant number of these appeals are dismissed by the Board when taxpayers refuse to respond to requests for relevant information which would allow the computation of any liability which might exist.

During 1983–84, the Board resolved 2,959 Franchise Tax Board appeals, an increase of 126 percent over the prior fiscal year and issued 908 formal opinions. The Board's published opinions provide guiding principles and statutory interpretations for use by taxpayers, the Franchise Tax Board staff, and other interested parties. National commercial research services have expressed considerable interest in the Board's Franchise Tax opinions and at least one electronic legal research service has incorporated in its computers all the opinions published by the Board since 1933.

Technicians Karen Burress (left) and Irene Contreras of the Accounting Office review the Board's service contracts.



Accounting Technician Terry Curtis answers an employee's question about a travel claim.

The Regulatory Process

The Board issues regulations for the guidance of taxpayers, county assessors, county assessment appeals boards, and its own staff explaining the laws it administers. Regulations are adopted, amended, or repealed in response to changes in the law, court decisions, or a need for clarification perceived by the Board staff, county assessors, or the affected industry. Because the regulations adopted by the Board affect taxpayers in all types of business, the Board encourages public participation in their formulation.

Public participation may begin early in the regulatory process when the Board's staff meets with industry representatives, county assessors, or other interested parties to discuss the draft of significant new or amended regulations. Public notice of the proposed change is published by the State Office of Administrative Law in its "Notice Register," a weekly bulletin of regulatory activity by all state agencies.

The Board also mails copies of the proposed amendment and details on the time and place of public hearing to all interested parties who have requested notification of changes affecting a particular type of business. A 45-day waiting period for public comment follows publication of proposed changes.

The Board holds public hearings for all changes to its regulations. At those hearings, the Board hears testimony from interested parties and considers public comments submitted during the 45-day waiting period. If additional changes are made as a result of these hearings, the regulation is made available to the public.

Regulations adopted by the Board are filed with the Office of Administrative Law for review before they are incorporated into the California Administrative Code.

The Board gives additional public notice of changes to its business taxes regulations through listings in its Tax Information Bulletin, sent quarterly to all registered taxpayers and interested parties. The Board provides free copies of its regulations upon request. It also announces its public hearings and final actions on regulations through public agenda notices distributed to the press.

Statistical Research and Analysis

The Board uses the data collected from its administration of tax programs to provide statistical research services to its administrative staff; to federal, state, and local agencies; the Legislature; and private planning and forecasting firms.

Revenue estimates prepared by its Research and Statistics Division assist the Board in formulating recommendations on legislative proposals. During the 1983–84 fiscal year, the Division developed revenue estimates on approximately 50 bills, including estimates for a comprehensive list of sales tax exemptions under review by the Board and the Assembly Revenue and Taxation Committee.

Data gathered by the Research and Statistics Division are used by the Board to maintain efficient administration of its tax programs. The Division, for example, reviews sales taxes audit findings in order to increase the effectiveness of the audit selection process.

Reports and analyses prepared by the Board's Research and Statistics Division are widely used by private and governmental planners. Economic analyses and forecasts of revenues from Board-administered tax programs are prepared by the Division for use by state and local governments. The Division develops sales tax revenue estimates for proposed area annexations or incorporations and conducts (on a fee-for-service basis) several hundred market studies each year for specific geographical areas. The Division also compiles statistical data for this Annual Report to the Governor, the California Statistical Abstract, the Governor's Economic Report, and other publications.

Cashiering and Banking

Over 3.9 million tax payments totaling $13.3 billion were processed and banked by the headquarters Cashier Unit during the 1983–84 fiscal year. Although the number of tax payments processed was nearly identical to the previous fiscal year, the total receipts deposited increased by $1.7 billion.

In order to earn maximum interest for the state, tax payments are deposited within 24 hours of receipt. A large majority of these payments, including all checks over $100,000, are deposited within eight hours.

Magnetic Ink Character Recognition machines speed the process by enabling operators to encode the amount of each check and sort it for deposit into one of seven approved depository banks, while providing master tapes for accounting and control purposes. Use of the equipment also reduces by 50 percent the amount charged by banks for processing checks.

Account Clerk Shawn LeTourneau stacks trays of incoming tax return mail which will be processed by the headquarters Cashier Unit.

Office Assistant Bob Barker (foreground) opens tax return mail in preparation for processing by the Cashier Unit.

Senior Data Processing Technician Joanne Zgraggen works on procedures to control the flow of work to the Board's computers.

Programmer Kevin Hudgens pulls computer tapes which are filed in the Data Processing Division's Library.

The Board set a new record for a single day's deposit when it banked $452.9 million on February 6, 1984, exceeding the previous record of $365.5 million set February 4, 1980.

Data Processing Services

All of the Board's major tax programs are administered with the support of computer-automated systems. The use of data processing technology has enabled the Board to keep abreast of its growing workloads and additional tax programs while maintaining a relatively stable budget and staff size. Automation of its tasks has kept the costs of revenue collection low.

The Board's two Sperry Univac 90/80 computers at Sacramento headquarters play an essential role in the sales and use fuel tax return processing cycle, performing a multitude of tasks such as coding and addressing returns, identifying nonfiling accounts, preparing notices and billings, and allocating local revenues. Automation enables the Board to accomplish these complex tasks for over 760,000 accounts under tight time constraints.

Data gathered by the computer from tax returns form the basis of a statewide communications network which provides headquarters and field offices with instant access to current uniform sales and use fuel tax information. This system, which employs 214 terminals and 134 printers, has enabled the Board to improve service to taxpayers and maintain the efficiency of its internal operations. Over the past ten years, the information network has grown in the number of terminals, data files available, and capabilities until it has become the largest single user of Board computer time and data storage space. During the 1983–84 fiscal year, over 9.5 million inquiries were made through the system, an increase of 13.3 percent over the previous fiscal year.

For several years, video terminals at headquarters have had remote entry capabilities for a number of sales tax data files within the communications network. Users could make changes to tax return payment records and enter petition and refund information. An important new remote entry capability was added in January 1984 with the installation of a new on-line system which enables selected field offices to update the sales tax registration file directly. The new system allows field office personnel to perform basic account maintenance functions, such as address changes and account closeouts, thus eliminating the delay associated with the transmittal of paper documents to Sacramento for processing. Security measures require that passwords and operator identifications must be entered before transactions are accepted and the system will only accept transactions affecting the entering district's accounts. The remaining field offices will be brought on line in the coming fiscal year. The Board will also conduct a study to determine if the on-line system should be expanded to include all registration activity.

During 1983–84, ten microcomputers were installed in selected headquarters and field locations to provide extended office automation functions. These versatile units can function as standard video terminals linked to the communications network, pro-

In the Data Control Unit, Programmer Linda Hayes (left) and Program Technician Ruth Robichaud schedule computer time to test a new program.

grammable microcomputers, or word processors. The microcomputers will provide various data processing services that can be handled more effectively and economically on a smaller scale, outside the main frame computer.

During 1983–84 the Data Processing Division completed the first phase of a special tax jurisdictions project which will eventually enable the Board to process data for an unlimited number of local or special taxing jurisdictions. In phase one of the project, the Data Processing Division added the capacity to accommodate up to 13 transit districts, seven more than the six currently operating.

The Board's valuation of public utility properties and railroads began receiving additional data processing support during the fiscal year, as a new on-line automated system became fully operational in January 1984. A video terminal and printer installed in the Valuation Division of the Property Taxes Department provides detailed information on the appraised values and locations of utility and railroad properties. These data are used by the staff to develop annual property value recommendations and to allocate final values to county property tax rolls.

A computer procurement team was formed during 1983–84 to identify the Board's long-range computer requirements and to coordinate the necessary procurement steps. The team conducted a needs analysis which included interviews with Board managers and the staffs of most operating units. The study disclosed a general desire for additional systems which provide users direct access to their files, local processing of data, and the ability to use remote terminals to request one-time reports without the need for a special program written by the Data Processing Division. The study team formulated the Board's computer procurement specifications and the package went out to vendors for bids during the summer of 1984. Installation of the new system is planned for late summer 1985.

Personnel Management

In January 1984, the Board consolidated its personnel functions in a Personnel Management Division directed by a new Chief reporting directly to the Executive Secretary of the Board. The Division is now composed of the Personnel, Labor Relations, Training, and Employee Assistance Program Offices, and provides functional guidance to the Equal Employment Opportunity Office.

The Board of Equalization was hampered in its normal hiring and promotional activities during 1983–84 by the continuation of the Governor's "freeze" order on all state agencies. The "freeze" had been imposed in response to the fiscal restraints caused by the economic recession. As the economy and state revenues improved, the order was modified in the fall of 1983, and lifted entirely for the Board in February 1984. The Board of Control denied a claim which attempted to reinstate lost salary for trainees who would have been promoted to the journey level except for the freeze, but revised salary increase dates recognizing the time spent performing at the higher level were processed and approved.

The Board received delegated testing authority from the State Personnel Board for four additional classifications during 1983–84 and now administers examinations and certifies lists of eligible candidates for a total of 50 entry-level and promotional classifications. During the fiscal year, the Board administered 23 examinations, processed 2,250 applications, and conducted interviews totaling 1,035 hours of staff time.

Although the hiring freeze halted promotions, it did not affect the Board's examination process. All of the Board-administered examinations were conducted to establish eligibility lists in a timely manner to accommodate the Board's hiring and promotional needs.

As a member of the Board's Computer Procurement Project team, Data Processing Analyst John Martorano prepares a request for proposals and bids which will be sent to computer companies.

The Board continued during 1983–84 to expand its use of the Program Technician Series classification to encompass those paraprofessional and technical duties that relate to the administration of business taxes. These positions are located in field offices and in specialized headquarters units and require the employees to have knowledge and abilities that exceed those required of general clerical classifications.

With the largest audit staff in state government, the Board conducts a vigorous auditor recruitment program employing its delegated testing authority for the entry-level Auditor I class. The Board's recruitment team, comprised of a statewide coordinator based in Sacramento and five regional recruiters, visited 30 universities and colleges in 1983–84 and administered the Auditor I examination to over 600 candidates. In addition, more than 500 applicants were interviewed during monthly open examinations in Long Beach, Oakland, and Sacramento. Of the 1,039 successful Auditor I candidates placed on hiring lists in 1983–84, 44.6 percent were women, 6.6 percent were Hispanic, and 6.9 percent were black.

In late 1984, the Board plans to launch a recruitment program for the business taxes representative class similar to that conducted for auditors. The Business Taxes Representative I exam, previously given on an annual basis, will be administered monthly at three locations in California. Board recruitment teams will visit college campuses to conduct interviews, waiving the written test for college graduates. By these means, the Board expects to expand its pool of available candidates, particularly for openings in outlying locations, and enhance its recruitment efforts for women, minorities, and the disabled.

The Board's Speakers' Bureau, started in January 1983 as an auditor recruitment tool, continues to be successful as college organizations increasingly request guest speakers. The theme this year was "Life Outside the Big Eight," stressing the advantages of the Board as an employer in comparison to the big eight accounting firms and other private industry. The Speakers' Bureau will be expanded in 1984 to recruit for business taxes representatives, as well as auditors. By publicizing the Board as an attractive employer, recruiters expect to increase the number and improve the quality of the students who apply for campus interviews and testing.

In the Personnel Management Division, Transactions Supervisor Arlene Campbell (center) advises Personnel Assistants Irene Perez (left) and Mary Ann Kafka on the processing of an employee transfer and promotion.

Chief Accounting Officer Mike Willis and Accounting Supervisor Peggy Pifer discuss implementation of the Cardillo Travel Services contract.

To assist the Board in meeting its affirmative action goals of reaching parity for underrepresented groups, the recruitment coordinator, in conjunction with the Equal Employment Opportunity Office, has developed a recruitment plan to make the Hispanic community aware of employment opportunities with the Board. A statewide communications network has been established with college and university Hispanic project coordinators to obtain their assistance in attracting qualified Hispanic candidates into the Board's employ. This program will be extended to other underrepresented groups.

Labor Relations

The 1983–84 state budget crisis had a chilling impact on collective bargaining, so that only five unions, representing just 20,000 employees, started the 1983–84 fiscal year with a contract agreement on salary and benefit issues. The remaining six unions, representing 15 bargaining units and 105,000 employees—including all 2,200 of the Board's represented employees—could not reach agreement with the State Department of Personnel Administration, which has statewide responsibility for administering collective bargaining under the State Employer-Employee Relations Act. A strategic chess game followed which included mediation, budget override attempts, employee rallies, and court suits.

Jennifer Willis, Chief of the Personnel Management Division, reviews the current employee contract with Labor Relations Officer Vic Anderson.

California's 1983–84 budget was finally signed by the Governor on July 21, 1983 and contained funds for a 5 percent salary and fringe benefit package. The 5 percent package was not considered adequate by the remaining six unions and they mounted an effort to override the budget to restore an additional 3 percent to the salary and benefit package. Statewide rallies were held by employees in August to show their support of the override. This effort failed on September 1, 1983 when the State Senate was unable to secure sufficient votes to override the budget.

Negotiations which began in March 1983 finally concluded in September with the remaining six unions reaching agreement with the Department of Personnel Administration. When all was said and done, the economic dollars of the labor agreements adhered to the 5 percent salary and benefit package included in the 1983–84 Budget Act.

Managerial, supervisory, and confidential employees, precluded by law from entering into labor agreements, were provided a 1983–84 salary and benefit package comparable to the rank and file labor agreement. This economic package, affecting 420 nonrepresented Board employees, was included in the 1983–84 Budget Act effective July 1, 1983. In March 1984 the Governor and the Department of Personnel Administration announced a new insurance program for managerial and other top level exempt employees. This insurance program introduces a new concept in managerial compensation designed to provide greater incentives for achievement and improve the management of state government. The insurance program has been made available to 55 managerial employees at the Board.

The Board of Equalization in April 1984 formed a management task group to analyze and prepare position papers on compensation and perquisite needs of its management team. The position papers are scheduled for presentation in December 1984. The Department of Personnel Administration has overall responsibility for formulating and recommending to the Governor and the Legislature compensation and benefits for employees excluded from collective bargaining. Also in April 1984 the Board of Equalization presented to the Department of Personnel Administration the first of three salary realignment proposals for its management team.

The labor contracts between the state and the nine California State Employees' Association bargaining units which represent a majority of Board of Equalization employees, expired on June 30, 1984. Negotiations for a new contract began in March 1984 and were completed on July 3, 1984, when tentative agreement was reached for a one-year contract providing an overall 8 percent general salary increase. A majority of employees in Bargaining Unit 4, representing clerical and allied workers, received a 10 percent salary increase effective July 1, 1984, plus an additional 3 percent increase on January 1, 1985. The ratification process by the Legislature and the membership of the California State Employees' Association was completed in August 1984.

Training

The training program at the Board is designed to develop the skills, knowledge, and abilities of its employees through on-the-job training and experience and formalized training courses. The process begins with new employee orientation at primary work stations and progresses through technical, supervisory, and managerial structured courses.

The development needs of Board employees and the resources available to meet those needs are formulated into an Annual Training Plan submitted to the Executive Secretary for approval at the start of each fiscal year. This plan is implemented through a network of employee-training coordinators under the guidance of the Board Training Manager.

In-house training courses are designed and conducted by Board staff. Specialized courses are taught in auditing, tax compliance, and property appraisal.

Training Manager Jane Arndorfer oversees the Board's statewide employee training program.

Account Clerk Gloria Perez checks the control numbers on a report produced in the Data Processing Division.

In addition, there are courses in general skills subjects, as well as supervision and management. For example, recent courses have been developed in handling employee discipline, labor relations and contract administration, and hiring and working with the handicapped.

If training needs cannot be met using internal resources, the Board utilizes the services of the State Department of Personnel Administration and other state agencies, California State universities, community colleges and the U.S. Civil Service training resources.

In the conduct of its training, the Board uses a variety of visual aids and equipment. For example, video equipment acquired during 1983–84 is used for videotaped courses and for the production of lectures and demonstrations for in-house programs.

The Board Training Office also maintains a library of training films, training course instructor guides, and references. A small library of examination aids is also available to Board employees.

Equal Employment Opportunity Program

The Board's primary affirmative action goal is to bring the composition of its staff to a level of parity with the proportion of minorities, women, and disabled persons in California's workforce as a whole. During 1983–84, the Board exceeded the 1980 labor force parity figures of 6.6 percent in the black group category. The Board remains underrepresented in Hispanics, females in nonclerical classes, and disabled persons.

Although the most underrepresented group is the Hispanic, the Board ranks 12th highest out of 33 state departments in its proportion of Hispanic employees. The Board's current staff of 295 Hispanic employees is 5.8 percent below the labor force parity figure of 17.2 percent.

In the disabled category, the Board's workforce representation of 101 employees is 1 percent lower than the average for state agencies and 2.4 percent lower than labor force parity. The revitalization of the Board's statewide advisory committee for the disabled during 1983–84 will be of great assistance in the recruitment of disabled persons. Other committee objectives include formulating and articulating the concerns of disabled persons and supporting efforts to obtain reasonable accommodation and accessibility.

The Board ranks 11th out of 33 departments in the number of women in nonclerical classes category. Its staff of 507 technical and professional women employees is 3.9 percent higher than the statewide average. In addition, the Board's percentages for hiring and promoting women were higher than the statewide average by 2.3 percent and 17 percent respectively.

The Board continues its efforts to improve the numbers of women in professional classifications. The Management Services Technician "bridging" classification is used to provide opportunities for clerical and technical employees, the majority of whom are women, to obtain qualifying experience for professional exams. The Board's upward mobility policy allows employees to be appointed as Management Services Technicians to a two-year training assignment to gradually learn and assume the responsibilities of a professional classification, such as Business Taxes Representative I and Auditor I. The upward mobility education program helps employees meet the educational requirements for promotional examination. In 1983–84, 151 Board employees were enrolled in this program.

To monitor the Board's affirmative action progress, the Equal Employment Opportunity Office developed an Ethnic and Sex Quarterly profile, detailing the composition of the staff. The report is distributed to all executives and administrators to assist them in personnel planning to meet the Board's affirmative action goals and timetables.

Equal Employment Opportunity Officer Lou Arredondo and Office Technician Peggy Green review the year's hiring statistics for minorities, women, and the disabled.

During the spring and early summer of 1984 the Board worked with community organizations sponsored by the Federal Job Training Partnership Act (JTPA), which replaced the Comprehensive Employment Training Act (CETA). Forty individuals were employed as work experience trainees during the fiscal year, including 20 in field offices.

During 1982–83 the Board adopted policies on sexual harassment and reasonable accommodation for disabled employees and job applicants. The adoption of these policies was followed by the development of supervisory and management courses on preventing sexual harassment in the workplace and disability awareness training aimed at increasing employment of the disabled. The Equal Employment Opportunity Office has trained the majority of the Board's managerial and supervisory staff in these areas. Courses will continue to be given as new supervisors and managers are appointed.

The Board continues to work with the Department of Rehabilitation and the Employment Development Department in a joint effort to employ disabled individuals and economically disadvantaged persons. By participating in this program the Board's salary savings this fiscal year amounted to over $27,000.

Early in 1984, the Board approved the formation of a Women's Advisory Committee composed of representatives from the major program areas of the Board to provide recommendations on the scope of duties for a Women's Program Coordinator.

Employee Assistance Program

In March 1982, the Governor issued an Executive Order mandating an Employee Assistance Program for California state employees. Statewide coordination of the program was assigned to the Department of Personnel Administration. To fulfill the departmental responsibility for implementation of this program, an interim coordinator was designated in July 1982 by the Executive Secretary as a part of his office. The Board subsequently approved an implementation plan to create a permanent Employee Assistance Program office, reporting to the Chief of the Personnel Management Division. The permanent coordinator reported to work in August 1983.

The Employee Assistance Program is designed to assist employees' voluntary efforts to resolve problems of alcoholism, drug abuse, or stresses brought on by physical, mental, marital, family, financial, or other concerns which impair job performance. Participation in the program is purely voluntary and strictly confidential. The overall goal of the program is to increase the efficiency and productivity of state operations by improving the job performance of individual employees with treatable problems.

The major function of the Board's Employee Assistance Program office is the assessment of an employee's problem, referral for treatment, and the follow-up; the office does not diagnose or counsel employees. The office is also responsible for training supervisors and managers in utilizing the program to

In the Data Processing Division, Student Assistant Leonard Williams sets up a printer to produce a statistical report.

Account Clerk Betty Overrocker of the headquarters Cashier Unit runs tax payments through a check endorsing machine prior to deposit.

Machine Operators Julio DeAndo and Maria Elena Gonzalez print Board publications in the Reproduction Unit.

deal with employees' job performance difficulties, for gathering information about community resources for Board employees throughout the state, and for monitoring and evaluating the Board's program.

During its first nine months of full-time operation, approximately 100 Board employees contacted the coordinator for assistance. Employees, supervisors, and managers were trained in the program's goal and activities. Promotional brochures and posters were developed and distributed to all Board offices.

Also during this period the Board took a leadership role in state Employee Assistance Program development activities, organizing a Coordinators Group and the Sacramento Valley ALMACA Chapter (Association of Labor/Management Administrators and Consultants on Alcoholism), a national association for Employee Assistance Programs.

The Board hosts monthly meetings of the Coordinators Group at which 45 state departments and agencies are represented. This group has participated in efforts to improve Public Employee Retirement System health benefits coverage for alcohol, drug, and mental health problems. The group also leads interdepartmental efforts to develop labor and management cooperation in motivating troubled employees to utilize assistance programs.

Tax Information For The Public

The Board conducts a tax information program to keep taxpayers and the public informed about tax laws, regulations, policies, and actions by the Board.

The purpose of the Tax Information Office is to explain government to California taxpayers and to provide them with all the information they need to fulfill their statutory tax obligations. To do so, this office produces and coordinates a variety of publications and serves as the focal point for all inquiries from the public, the Legislature, other government agencies, and the media. Telephone calls and letters to the Board are channeled primarily to the Tax Information Office, which replies directly or, when appropriate, contacts the individual who can respond best to the query.

In the Reproduction Unit, Machine Operator Alicia de la Paz collates the pages of a Board Letter to Assessors.

Board publications available to the public include annotated law guides, "Tax Tip" and tax law pamphlets, tax information bulletins, and a variety of statistical reports.

The staff of the Mail Processing Unit arrives early to sort and distribute incoming tax returns. From left to right are Jean Cravens, Bruce Harvey, Carolyn Donnell, Dean Mosqueda, and Marilyn Cramblit.

Jose Rodrigues, Supervisor of the Bulk Mailing Unit, prepares preprinted tax return forms for mailing.

More than 40 "Tax Tip" pamphlets tailored to specific kinds of business activities are distributed free upon request. They describe in nontechnical language how tax laws and regulations affect the reporting requirements of various types of business. During 1983–84, "Tax Tips for Locksmiths" was added to this series. All are revised regularly to keep taxpayers up-to-date on any changes pertaining to their business.

One pamphlet, "Appeals Procedures," instructs taxpayers how to obtain administrative review of tax assessments made by county assessors, the Franchise Tax Board, and the Board of Equalization. A new pamphlet, "Exemptions and Exclusions from Sales and Use Tax," was published in August 1983. Complete annotated copies of property tax and excise tax laws are published by the Board and are available at cost to the public.

A "Tax Information Bulletin" is mailed quarterly with tax returns to the Board's 750,000 registered taxpayers and other interested parties. This newsletter describes recent and impending changes in the tax laws and regulations, provides instructions on the application of taxes to business transactions, and lists new reference material.

As the administrative agency of California's major tax laws, the Board is uniquely equipped to monitor economic activity in the state. Analyzing data from tax returns and county assessor reports, the Board publishes various statistical reports and makes them available to the public. One of the most widely used is the quarterly "Taxable Sales in California," which summarizes by location and type of business the amount of transactions subject to sales tax. The data in this publication is used by consultants, economists, the media, and public and private planners to measure trends in the state's economy. Another widely distributed report contains monthly data on gasoline consumption in California and is used by state and federal government planners, the media, the petroleum industry, and other private firms.

The Tax Information Office prepares news releases to announce new tax laws, Board hearings, actions taken, and policy changes; to convey special instructions to taxpayers in emergencies such as natural disasters, and to provide analyses of the statistical data compiled by the Board.

A major responsibility of the Tax Information Office is the preparation and publication of this legally mandated Annual Report to the Governor.

Warehouse Workers Wayne Doud (left) and Tom Tagawa check shipments of office supplies received at Board headquarters.

IV. PROPERTY TAXES

HIGHLIGHTS OF 1983–84

As has become the trend in recent years, 1983–84 was a year of dynamic change in California property taxation. The following is a brief review of significant events during the fiscal year:

- For the first time since the passage of Article XIIIA (Proposition 13), the adjustment for inflation was less than the 2 percent maximum allowed by Article XIIIA. The adjustment for inflation applied to the 1983–84 assessment roll was only 1 percent. In 1984–85, the adjustment, based on the California Consumer Price Index, returned to the 2 percent level.
- Legislation was enacted effective July 1, 1983 which created supplemental county property tax rolls in order to assess changes of ownership and completion of construction as they occur, rather than on the subsequent March 1 lien date. This Senate Bill (SB 813, Chapter 498, Statutes of 1983) brought an end to the single annual lien date for real property assessment in California. (See pages 29, 42.)
- A $10 million Supplemental Roll Administrative Cost Fund was distributed to counties to cover excess costs of implementing SB 813. Reimbursements to counties submitting claims were based on the Board's analysis and recommendation.
- The term "fixture" as used in the property assessment field was administratively defined for the first time with adoption by the Board of California Administrative Code Section 122.5, Fixtures. (See page 29.)
- A special topics survey report was adopted by the Board on the subject of "Change of Ownership," a vital assessment concept under Article XIIIA (Proposition 13) of the California Constitution. (See page 30.)
- The value of California's railroads and public utilities was set by the Board at $49.6 billion for the 1984–85 tax year, an increase of 8.7 percent over 1983–84. The values on the state-assessed roll were allocated among the counties and will yield approximately $550 million in local property taxes in 1984–85. (See page 35.)
- Intercounty pipeline easements and right-of-way assessments were entered on the 1984–85 Board roll for the first time. These properties will generate $1.5 million in additional local revenue in the 1984–85 fiscal year. (See pages 35, 36.)
- Divestiture of American Telephone and Telegraph Company significantly affected the Board's appraisal of existing telephone companies and resulted in the creation of several new telephone companies, each requiring assessment. (See page 36.)
- Railroad property assessments enrolled by the Board continued in litigation with the state as defendant in a suit filed by the state's five major railroad companies under the Federal 4R Act. The railroads are seeking reductions in their assessments, contending that California illegally assesses railroads at a higher percentage of market value than is used for locally assessed property. (See page 37.)
- During 1983–84 the Board adopted escape assessments discovered by Valuation Division staff auditors which generated $1.4 million in additional local tax revenue. (See page 38.)
- The State Supreme Court agreed to hear a case which should resolve the issue of whether state-assessed property should be taxed at its current market value or at the 1975 base year values required by Proposition 13 for locally assessed property. (See page 37.)
- Total board feet of sawlogs harvested in calendar 1983 was 45 percent greater than in 1982, but harvest value per thousand board feet was down 6 percent. The Timber Yield Tax rate remained at 2.9 percent for calendar year 1984. (See page 40.)
- A new formula for allocating Timber Yield Tax revenue back to the counties was implemented. Formulas which guaranteed county revenues expired at the end of the 1983–84 fiscal year. Beginning July 1, 1984, revenue distributions will be based entirely on the county of harvest. (See page 41.)
- Passage of Senate Bill 748 (Chapter 1198, Statutes of 1983) mechanized the method for valuing timberland. Future land value changes will be made annually using a formula which indexes land values to changes in the immediate harvest value of timber. (See page 41.)
- Effective administration of the Board's complex and changing property tax programs was maintained—despite understaffing—by an increased commitment to electronic data processing. Important accomplishments in the automation of property taxes tasks include:
  - —An efficient and cost-effective word processing group has met increased demands by all property taxes programs for a wide variety of documents and schedules.

—The Valuation Division is now using a minicomputer to assist in the preparation of utility company appraisals.
—The Assessment Standards Division is using online and interactive computer capabilities to process the large volume of data associated with the Legal Entity Ownership Change Program.
—The Timber Tax Division staff is now using two terminals with programming capabilities which are interactive with the Board's mainframe computers. Several data processing programs have been created and placed in use during the past year.

HISTORY

The adequacy, accuracy, and administration of local property taxes in California has been of concern to the Legislature for over a century. This concern was constructively expressed in law with creation of the Board of Equalization in 1870. The Board's initial charter was to oversee the assessment and taxation of property as conducted by each California county.

The Board's level of involvement in property taxation fluctuated from inception to 1930 but the Great Depression of the 1930s precipitated a major reorganization of the state's tax structure. A constitutional amendment adopted in June 1933 (the Riley-Stewart Plan) assigned to the Board the basic property tax responsibilities which it carries today. The Board was charged with monitoring county assessors' administration of the local property tax, assessing railroads and public utilities for local property taxation, and assisting and advising county assessors, the Legislature, and other interested parties.

Additional property taxes responsibility was added in 1937 with enactment of the Private Railroad Car Tax, still the only state property tax. This levy, collected by the Board, is an ad valorem tax on privately owned railroad cars. Revenues from the Private Railroad Car Tax are deposited in the state general fund.

The Legislature appropriated funds for an intercounty equalization program in 1953 to enable the Board to measure the average level of assessments in each county and to maintain equity among those levels. Prior to the passage of Article XIIIA of the State Constitution (Proposition 13), county assessment levels were a critical factor in the allocation of state

TABLE A
GENERAL PROPERTY TAX: ASSESSED VALUE OF TANGIBLE PROPERTY, TANGIBLE PROPERTY TAX LEVIES, AND AVERAGE TANGIBLE PROPERTY TAX RATES, 1974–75 TO 1984–85

	Assessed Values[a]				*Property Tax levies*[b]		*Average Property Tax Rate (in percent)*		*Property Tax Relief*
Fiscal Year	*Gross (000 omitted)*	*Annual Change As %*	*Net Taxable*[f] *(000 omitted)*	*Annual Change As %*	*Amount (000 omitted)*	*Annual Change As %*	*Nominal*[d]	*Effective*[e]	*Amount (000 omitted)*
1974–75	76,275,719	10.0	65,693,398	10.2	7,383,411	11.0	11.24	2.73	1,167,985
1975–76	84,879,753	11.3	73,242,825	11.5	8,304,125	12.5	11.33	2.80	1,306,206
1976–77	96,104,750	13.2	83,687,264	14.3	9,376,391	12.9	11.20	2.81	1,344,981
1977–78	109,390,134	13.8	96,263,695	15.0	10,276,725	9.6	10.68	2.47	1,425,570
1978–79	119,542,405	9.3	105,547,349	9.6	5,035,896	-52.2	4.79	n.a.	786,858
1979–80	135,715,402	13.5	120,766,684	14.4	5,661,081	12.4	4.69	n.a.	988,916
1980–81	147,923,741	9.0	137,570,471	13.9	6,360,276	12.4	4.63	n.a.	1,337,588
1981–82	672,280,561[g]	13.6[g]	628,789,188[g]	14.2[g]	7,185,005	13.0	1.144[g]	n.a.	1,314,372
1982–83	752,571,724	11.9	707,690,851	12.6	8,007,037	11.4	1.131	n.a.	1,347,377
1983–84	814,164,230	8.2	767,806,601	8.5	8,634,771	7.8	1.25	n.a.	1,129,181
1984–85	897,322,118	10.2	848,937,474	10.6	n.a.	n.a.	n.a.	n.a.	n.a.

[a] Includes locally taxable state-assessed property, but excludes the railroad rolling stock of companies other than railroads, which is subject to a state property tax in lieu of local taxes. Gross values include all exempt values for which exemption claims are required (except cemeteries) and the exempt value of business inventories prior to 1980–81 when such property became totally exempt (see footnote); net taxable values exclude these exemptions. For further detail, see Appendix Tables 4–17B.

[b] Excludes ad valorem special assessments through 1977–78, but includes them beginning in 1978–79 following Proposition 13. Property tax relief payments by the state to local governments, sometimes viewed as state payments of property taxes, are also excluded.

[c] Includes state payments to local governments for all reimbursable exemptions, plus senior citizens' property tax assistance. During 1983–84 the state allocated the following amounts to local governments to cover these: homeowners, $333,966,646; business inventories, $301,842,960; renters, $423,448,348; senior citizens total, $52,542,672 (property tax assistance, $16,217,362, and renters tax relief, $36,325,310); open-space lands, $13,526,818; and other, $3,853,915. These amounts total $1,129,181,359.

[d] Property tax levies divided by assessed values representing varying percentages of market value.

[e] Property tax levies divided by the estimated market value of net taxable properties. Beginning with 1978–79 an effective tax rate can no longer be calculated, since assessed values are not based on market values.

[f] The growth in net taxable valuation was sharply reduced by the homeowners' exemption ($750 of assessed value from 1969–70 to 1972–73 and $1,750 beginning in 1973–74), and the business inventory exemption (15% of assessed value in 1969–70; 30% during 1970–71 to 1972–73; 45% in 1973–74; 50% from 1974–75 to 1979–80; and 100% beginning in 1980–81). For 1984–85, the homeowners' exemption accounted for $29,801,239,000 of assessed value.

[g] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date of 1981–82. The percent change was computed after factoring the 1980–81 valuations to 100 percent of value.

n.a. Not Available.

aid to local school districts. The changes to assessment levels mandated by Proposition 13 made the intercounty equalization function unnecessary and it was phased out.

Board responsibility for overseeing property tax administration increased again with passage of the Property Tax Assessment Reform Law of 1966. This law required the Board to certify and train county appraisers, adopt property tax rules, develop more comprehensive handbooks to guide county assessors, and conduct periodic in-depth studies of county assessment practices to ensure assessment uniformity.

In 1976 the Board acquired its most recent property tax responsibility with passage of the Forest Taxation Reform Act. This legislation implemented a Board-administered severance tax on forest products applied at the time and location of harvest. Prior to enactment, standing timber had been subject to ad valorem assessment and taxation on county tax rolls.

A revolutionary change in property taxation occurred in June 1978 when the voters approved Proposition 13 to provide tax relief to property owners. Enacted as Article XIIIA of the State Constitution, it provided prompt property tax reductions, although the initiative itself posed many administrative problems. Further legislation, court decisions, and Board of Equalization rules have been required to clarify its provisions and application.

Subsequent constitutional amendments related to issues raised by Proposition 13 have further increased the intricacy of property taxation and created additional challenges for the Board. Proposition 8, adopted in November 1978, modified Article XIIIA to eliminate certain taxpayer inequities by allowing reductions in assessed values of real property when there was a decline in market value of the property. This proposition created a need for dual appraisals on many types of real property. Proposition 3, approved on the June 1982 ballot, excluded certain acquisitions of real property from change in ownership.

Enactment of Senate Bill 813 in August 1983 created yet another change in the assessment of California real property. This legislation, which is currently being tested in the courts, provides for supplemental assessments whenever new construction is completed and whenever real property changes ownership. Effective for 1983–84 this measure creates a second assessment roll with variable lien dates. Once again, property taxation programs have taken a quantum jump towards greater complexity.

PROGRAM ACTIVITIES

Duties associated with property tax program activities are organizationally delegated to the Board's Property Taxes Department which is composed of the Assessment Standards, Valuation, and Timber Tax Divisions.

Assessment Standards Division responsibilities involve mandated activities pertaining to the 58 locally

Office Assistant Ann Sorg (left) and Secretary Pam Bowens are part of the clerical services section of the Assessment Standards Division.

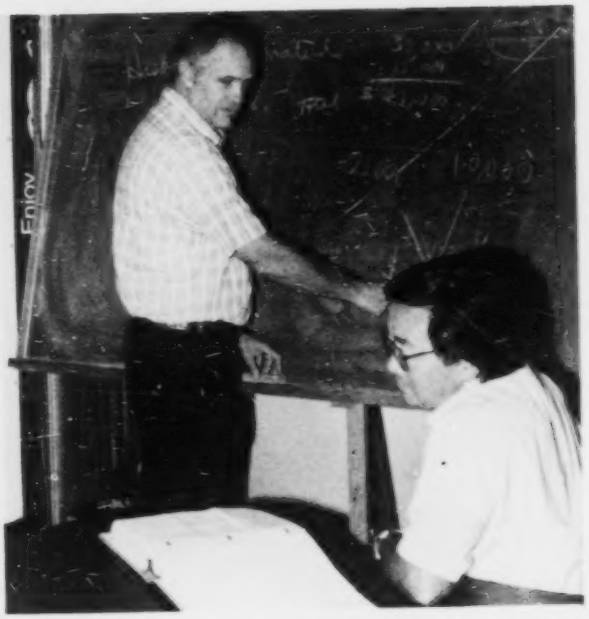
generated county assessment rolls. Division field offices are located in Sacramento, Orange, Fresno, and Hayward. The Valuation Division is assigned primary responsibility for developing property value indicators of railroads and public utility companies. When adopted by the Board, these values collectively make up the state-assessed roll. The Timber Tax Division, with field offices in Eureka, Redding, and Sacramento, administers the Timber Yield Tax Law. The Division registers taxpayers, collects the tax, conducts an audit program, and develops forest product values and tax rate recommendations for adoption by the Board.

Technical Advice to County Assessors

Technical letters of advice and interpretation are continuously published and distributed to all county assessors and others interested in the application of property tax law. Advisory letters published during fiscal year 1983–84 dealt with such topics as supplemental assessments, eminent domain, base year values, property tax rules, mobilehomes, change in ownership of legal entities, and exemptions. As an indication of increasing complexity in the appraisal field, over 200 advisory letters were distributed during the fiscal year.

Over 500 pieces of individual correspondence were also prepared during 1983–84 in response to specific inquiries posed by federal and state legislators, taxpayers, and local officials.

Property Tax Rule Number 202 pertaining to certificated aircraft and air taxi assessment procedures was revised and adopted by the Board on October 31, 1983. New rules were also adopted dealing with fix-



In the Assessment Standards Division, Property appraisers Jerry Trueblood (left) and Ron Hayashi develop a training course on the appraisal of new construction which will be presented to county assessor personnel.

tures (Rule Number 122.5), the welfare exemption (Rule Number 136), and real property acquired to replace property taken by governmental action (Rule Number 462.5). The latter rule (462.5) has been republished for full hearing in 1984–85. These rules, which have the force of administrative law, are intended to establish uniform procedures for county assessors to follow.

Special topic surveys deal with single issues of significant property tax concern and are initiated by the Board as authorized by Section 15640 of the Government Code. In 1983, a survey was conducted on the change in ownership policies of the state's 58 county assessors. The results were approved and distributed by the Members of the Board in 1984. Questionnaires also were sent to the counties for special topic surveys dealing with possessory interest assessments, local assessment appeals boards, mandatory audits, and mobilehomes.

The Board publishes a series of manuals, collectively termed the Assessors Handbook, as part of its program to provide guidance to county assessors in all areas of property tax administration. In the dynamic property tax environment of recent years, new legislation and constitutional amendments quickly render an existing edition of a manual obsolete. In an effort to keep the Handbook series current, Board staff revised manuals dealing with aircraft market values. The residential, commercial, and industrial replacement cost factors, which are part of the Assessors Handbook, were revised and updated. Field research into current construction costs was completed as part of a manual update task. Sections of the Assessors Handbook dealing with the cadastral mapping program, mobilehome parks, and open-space properties were published.

The Board also publishes a series of "Tax Tip" pamphlets on a broad range of property tax topics. Pamphlet Number 29, *Property Tax Facts for Policy Makers,* and Pamphlet Number 48, *Property Tax Information for Church Exemption, Religious Exemption, and Religious Aspects of the Welfare Exemption,* were published in completely revised form during fiscal year 1983–84.

Appraiser Training

The Revenue and Taxation Code requires the Board to certify the competence and training of all property tax appraisers employed in the county assessors' offices in California. Appraisers must meet education requirements and pass a Board-administered certification examination. During 1983–84, 20 appraisers received temporary certification and 117 were permanently certified. Advanced certification, which can be achieved either through examination or successful completion of specified educational programs, was attained by 101 appraisers.

The Board offers formal training courses and workshops for county appraisal personnel in order to maintain professional standards of property tax administration. During 1983–84, a total of 630 students attended 31 sessions of 15 different appraisal courses. Topics covered included appraisal mathematics, possessory interests, the income approach to value, and the appraisal of residential units, equipment and

The results of the Board of Equalization's sample property appraisals are compared with appraisals of the same properties by the Ventura County Assessor's office. From left to right are Auditor-Appraiser James Barga and Principal Appraiser Alan Flory from the Board and Chief Deputy Assessor for Valuation Robert Quimby, Ventura County Assessor Jack Waterman, and Chief Deputy Assessor for Administration Daryl Brown.

supplies, trees and vines, mines and quarries, and industrial properties.

Special workshops, used by the Board to keep county personnel informed about recent changes in property tax law, played a significant role in the training process during 1983–84. There were workshops dealing with cash equivalency, mobilehomes, and supplemental assessments. A total of 463 students participated in 16 sessions. Detailed training records for over 2,000 county appraisers are maintained through the Property Taxes Department's word processing center.

Assessment Practices Surveys

The Board of Equalization is required by Government Code mandate to survey each county periodically. Purpose of this formal survey is to determine whether the county assessor's methods of valuing property for taxation purposes are consistent with state laws, regulations, court decisions, and professional standards. The mandate requires the survey to incorporate and discuss independent Board staff appraisals of a sampling of local roll assessments. The sample is statistically designed to be representative of property in each county and allows the Board to evaluate the adequacy of an assessor's valuation program. A survey must be conducted in each county at least once every five years, and special topic surveys may be conducted whenever the Board determines a need.

An assessment practices survey constructively suggests methods to increase the cost-effectiveness of property tax programs administered by the assessor.

Kern County Assessor staff members meet with Don Conlee, Administrator of the Board's Orange County office, to discuss the results of sample appraisals made by the Board in Kern County. From the Kern County Assessor's office are (left to right) Appraiser Bob Lisenbee, Supervising Appraiser Neil Bennett and Realty Division Chief John Burnum.

Butte County Assessor Larry Leach (left) and John Bishop, Area Office Administrator from the Board, discuss the selection of the Board's sample appraisals. Results of those appraisals will be compared with those of the assessor.

The proper assessment and collection of property taxes at legally required amounts benefits local government and also saves money for the state's general fund which is required to make up any shortfall in school funding resulting from insufficient local property taxes. A statewide average of 37 cents out of each property tax dollar (exclusive of debt service) is allocated for the support of schools; state general fund revenues supplement this amount to bring school funding to legally mandated levels. Therefore, every additional dollar of property tax revenue discovered through an assessment practices survey saves the state general fund 37 cents in school appropriations.

A survey team conducting the management audit of the assessor's operations generally includes a real property appraiser, an auditor-appraiser, and a mineral property specialist. The team reviews county appraisal records, analyzes statistical data from sample appraisals prepared by the appraisal survey team, and interviews key personnel in an effort to evaluate the effectiveness of the assessor's operation.

The Board's appraisal sampling program involves the random selection of appraisals from five categories of taxable properties: (1) Properties which have been assessed at their 1975 base year value according to the provisions of Article XIIIA. (2) Properties which have changed ownership on or after the March 1, 1975 lien date and were therefore reappraised at the time of transfer. (3) Properties having new construction, such as the addition of a room or swimming pool to a residence. In these cases only the newly constructed portion is appraised at current market value and the assessed value of the total property is adjusted accordingly. (4) Property assessed on

the secured roll not subject to the valuation provisions of Article XIIIA, such as open-space (Williamson Act) lands, timberlands, taxable government property, nonprofit golf courses, and restricted historical properties. (5) Property assessed on the unsecured roll, such as business equipment and fixtures.

Appraisals are completed by Board staff for the selected sample properties. Any value differences between the Board appraisals and the assessors are analyzed and unreconciled differences are statistically expanded to measure the impact for the total assessment roll.

Using the data gathered from a review of the assessor's office operations and the analysis of the appraisal sample items, a draft of the assessment practices survey report is prepared and discussed with the assessor. The survey report recommends needed changes in the county's assessment program.

The Board transmits a final draft of the survey report to the county assessor who then has 90 days to prepare a written response to the Board's findings and recommendations. The responses are included in the final assessment practices survey report. If the county assessor chooses not to respond during the 90-day period the report is published without the county response.

Within one year of receiving the survey report, the assessor must file a written statement with the county board of supervisors indicating whether the assessor intends to implement the Board's recommendations or how they have been implemented.

The law requires that the assessment practices survey report be distributed to the Governor, the Senate and Assembly, the Attorney General, the county assessor, the county board of supervisors, the county grand jury, and county assessment appeals boards. The reports are also sent to other county assessors and interested parties upon request.

Ventura County Supervising Appraiser John Morter (standing) instructs Auditor Appraiser Jim Barga of the Board's Assessment Standards Division on the operation of Ventura County's computer system. An evaluation of the county's automated office systems will be included in the Board's Assessment Practices Survey report.

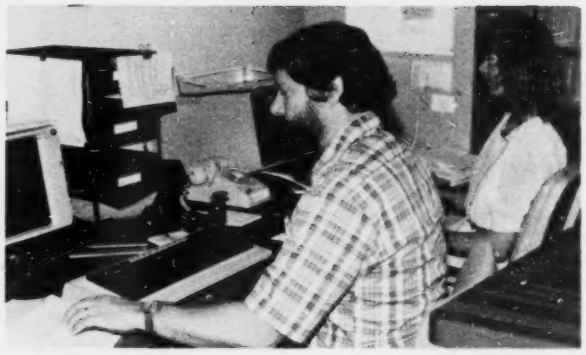
Robert Quimby (right), Chief Deputy Assessor in Ventura County, and Appraiser Bob Steger from the Board's Assessment Standards Division review a printout of the county assessment roll as part of the Board's periodic survey of county assessor operations.

During 1983–84 assessment practices survey reports were published for the counties of Alpine, El Dorado, Glenn, Imperial, Kings, Mono, Orange, San Francisco, San Luis Obispo, Stanislaus, and Trinity.

Le, ' Entity Ownership Program

Locally assessed real property must be reappraised at market value when it undergoes a change in ownership. The assessor can discover most changes in ownership by reviewing deeds recorded in the county recorder's office. However, changes in control of partnerships, corporations, and other legal entities are reassessable changes in ownership that are usually accomplished through transactions (such as the sale of stocks) not subject to recordation. The assessor's job of discovery is very difficult. Because legal entities frequently have extensive real estate holdings, it is particularly important that such changes in ownership are discovered promptly, so that all real property transferred will undergo a timely reappraisal. Additionally, it is not uncommon for the legal entity to have real estate in several counties, thus affecting several assessment rolls.

The Board-developed Legal Entity Ownership Program was created in response to a legislative mandate (AB 2777, Chapter 851, Statutes of 1981) to help county assessors discover changes in ownership of legal entities. The legislation requires the Franchise Tax Board to solicit certain change in owner-



Using information furnished by the Franchise Tax Board, Program Technicians Andy Anderson and Gitta Arthur check for changes in ownership of legal entities, such as corporations. The Legal Entity Ownership Program has generated additional local property tax revenue by alerting county assessors to changes in ownership requiring reappraisal.

ship information from legal entities. The Franchise Tax Board then notifies the Board of Equalization of possible qualifying changes in ownership. If the Board determines, after further inquiry, that a legal entity owning real property in California has changed ownership, assessors are notified.

This relatively new program has greatly increased the number of reappraisals initiated due to changes in ownership or control of corporate entities. Since real estate values have generally appreciated in recent years, the result has been greater property assessment equity and increased local property tax revenues. The state benefits directly from these reappraisals, since state subventions from the general fund for education are proportionately offset by the increased local property tax revenue.

During fiscal year 1983–84, over 46,000 initial inquiries were sent to legal entities by the Board. Further screening revealed that more than 11,000 parcels of real property, owned by over 400 different legal entities, had changed ownership. It is unlikely that many of these transfers would have been detected through local discovery mechanisms.

Contract Audit Program

Taxpayers who own business property having an aggregate market value of $200,000 or more must be audited every four years by the assessor of the county in which the property is located. Many of these taxpayers maintain accounting records out of state, and may have property in more than one county in California. It is not cost-effective for each county to send staff to distant locations to audit only the portion of the taxpayer's business records affecting that county. Therefore, several counties have formed cooperatives to handle these audits both within California and out of state.

The Board offers the counties a similar audit program through a contract arrangement. Since the Board maintains permanently staffed offices in Chicago, New York, and Houston, it can offer savings in travel expenses to the counties. During 1983–84, 14 counties contracted with the Board for mandatory audits. Board staff completed 56 out-of-state and 22 in-state audits in 1983–84.

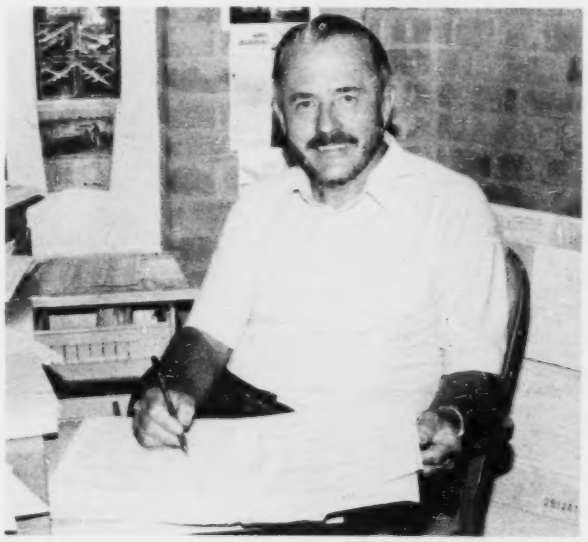
Property Tax Exemptions

The California Constitution specifies that all property in California is taxable unless specifically exempted by federal or state laws. Federal law, the California Constitution, and multiple Revenue and Taxation Code sections do, however, expressly allow over 60 property exemptions. Certain restricted assessments and partial exemptions are also legislatively mandated.

The Board is charged with the task of reviewing the accuracy and adequacy of locally administered exemption programs. The Assessment Standards Division staff works directly with county personnel to administer the welfare exemption.

Exemptions are granted for many different categories of property, some which do not require the filing of any application. The State Constitution lists more than 40 such exemptions which do not require the filing of a claim form. Other exemptions are initiated only after the taxpayer files an exemption claim form. The homeowners', veterans', and college exemptions fall into this category. Filing a claim can be one-time or a recurring annual requirement.

Some exemptions are for fixed dollar amounts, such as the homeowners' exemption which exempts $7,000 in assessed value. Others are fixed percentage exemptions, as in the case of the limitation to 4 percent of value on the assessment of certain document-



Exemption Officer William Grommett reviews the financial statements of an organization which has applied for a property tax exemption.

In the Valuation Division, Secretary Hope Brocklehurst (right) instructs Youth Aide Eloise Cardenas on word processing input for a project which will create a comprehensive index of all appeals, Board decisions, and litigation relating to the valuation of railroad and utility properties.

Word Processing Technician Anna Barajas monitors the printing of an assessment practices survey draft.

ed commercial fishing vessels. In some instances, such as newly planted orchards and vineyards, there is a total exemption for a limited number of years, after which the property is fully taxable. Exemptions are granted for personal property as well as for real property.

Certain properties not covered by Article XIIIA limitations are subject to other constitutional provisions that effectively restrict their taxable value. These special restrictions amount to partial exemptions from taxation. Properties in this category include timberlands, agricultural preserve (Williamson Act) lands, and restricted historical properties.

A welfare exemption is granted to qualifying property owned by certain nonprofit organizations engaged in religious or charitable activities. Unlike other property tax exemptions, which are processed exclusively at the local level, this exemption is coadministered by the counties and the Board. Each claimant must file annually for the welfare exemption. The Board reviews each claim and recommends that the counties either grant or deny the exemption. The county may still deny a claim which the Board has recommended granting; however, the county may not grant a claim after the Board has recommended denial. During 1983–84, the Board's staff reviewed 7,518 welfare claims involving 12,756 properties, of which 11,780 were found to qualify for the welfare exemption.

Although exemptions are the result of state legislation, financial impact occurs initially at the local level in the form of reduced revenue. To offset some of the revenue loss associated with restricted assessments and exemptions, the state pays subventions to local governments for open-space (Williamson Act) assessments and homeowners' exemptions.

Forms Management

Board staff is presently responsible for maintaining 27 property statement and 20 exemption claim forms. These forms or a facsimile are used by all property owners in California. The prescribed wording on these forms must be used when they are incorporated into county letterhead forms issued locally by county assessors.

Dramatic and sudden changes in property tax law in most recent years, including 1983–84, have made maintaining the effectiveness and legal acceptability of these forms a formidable task.

State-Assessed Properties

The Valuation Division is assigned primary responsibility for preparing the property tax assessments which collectively make up the Board of Equalization's state-assessed property tax roll. Specifically, Article XIII Section 19 of the State Constitution requires the Board of Equalization to assess annually the following classes of property:

(1) pipelines, flumes, canals, ditches, and aqueducts lying within two or more counties;
(2) property, except franchises, owned or used by regulated railway, telegraph, or telephone companies, or railroad car companies whose cars are used on railways within the state;
(3) property owned by companies transmitting or selling gas or electricity within the state.

The 1984–85 state assessment roll value of $49.6 billion is a far cry from the first Board-produced roll in 1935 whose total roll value was less than $1 billion.

Property value on the state assessment roll is allocated by the Board back to the counties where the property is physically located. Revenue derived from the assessments is likewise collected and expended at the local level. The Board's 1983–84 utility assessments generated $528,640,000 in tax revenue for local governments.

In August, each California county receives the Board roll of current market values of state-assessed property which is added to the value on the locally assessed fiscal year roll to determine tax rates and estimate property tax revenues. The county tax collectors then issue tax bills to the state assessees, which are taxed at the same rate as locally-assessed secured property. When collected, the tax revenues are allocated to the cities, counties, school districts, and special districts. The state receives no part of this revenue, except indirectly through the reduction of subventions paid to schools.

Property assessed by the Board is classified as either "unitary" or "nonunitary." Unitary property is property which is owned by a taxpayer and used in the taxpayer's primary utility or railroad operation. Nonunitary property is property owned by an assessee but not needed or used for the assessee's main business operation. Also classified as "nonunitary" is property used in a company's primary operation but not actually owned by the assessee. Nonunitary properties owned by assessees can have various purposes such as grazing, farming, commercial, or industrial usage.

Classification of property as unitary or nonunitary can affect value of the property. For example, the unitary properties of utility companies are generally more valuable than their nonunitary holdings. Conversely, the nonunitary properties of railroads tend to have a higher market value than their unitary holdings.

In a significant legal decision, the Los Angeles Superior Court recently upheld the Board's classification of the Los Angeles Union Passenger Terminal as nonunitary property. The three railroads owning the terminal argued that it should be classified as unitary property because it was used by AMTRAK passenger trains. However, the judge concurred with the Board's position that use by AMTRAK and Trailways Bus Company was not part of the railroads' freight operations. Subsequently, the Board reclassified most other AMTRAK depots in California as nonunitary property on the 1984 assessment roll.

Valuation Division appraisal staff reviews the values of state-assessed properties in the 58 counties on a three-year cycle. Field offices are located in Orange, Hayward, and Sacramento. The appraisers revalue both unitary and nonunitary lands at current market value. These unitary land values are an important indicator and are used as a factor in the allocation of the final unitary value of a company to the various taxing jurisdictions in which the company has property. The Board's market value appraisals of nonunitary properties are specifically identified and can be directly enrolled to the proper taxing jurisdiction.

There was a significant increase in field appraisal work in 1983–84 as the Valuation Division implemented the Board's 1983 decision to enroll intercounty pipeline easements and right-of-way parcels on the 1984–85 assessment roll. Staff appraisers located pipeline easements and appurtenant land parcels, collected market data, and enrolled 6,000 miles of easements and rights-of-way with an aggregate mar-

Carl Shauger, Delineator in the Valuation Division, assembles a computer printout of the 1984-85 Board Roll which lists the current market values set by the Board on all privately owned public utility and railroad properties in the state.

Area Office Administrator Jay Hubert works at the new terminal in the Valuation Division which provides direct access to the Board's computer files. The on-line system has streamlined the preparation of the Board's roll of public utility and railroad property values.

In the Valuation Division, Property Auditor-Appraisers Emma Eversole and Pete Hladek prepare a series of value indicators for utility property.

ket value of more than $135 million. These properties, most of which previously escaped assessment, will generate $1.5 million of additional local revenue in the 1984–85 fiscal year. This increase in revenue for local governments will result in a corresponding $690,000 reduction in payments from the state general fund for school subventions.

Staff appraisers also valued for the Board roll more than 125 pump stations and terminal sites which previously were locally assessed.

This massive appraisal effort was accomplished despite strenuous opposition by the pipeline companies and limited Board staff. The pipeline easement appraisal project required two appraiser-years to complete. Since the Board's request for additional appraisers was denied, it was necessary to reallocate appraisal resources to complete the appraisals. The Board completed and enrolled the appraisals even after court orders obtained by seven of the companies precluded the Board from getting maps and other information about the plaintiffs' properties. Staff obtained data from other sources, assigned parcel numbers, and enrolled easement and right-of-way values on the 1984–85 state assessment roll. The pipeline industry has appealed the Board's action and, in a case currently in appellate court, argues that these properties should be subject only to local assessment.

Annually, the Board's staff prepares a series of value indicators for the unitary property of each state asssessee and presents them to the Board. These factors indicate the band of possible current market value for a taxpayer's property, and are derived using the following appraisal methods: historical cost less depreciation, reproduction cost less depreciation, capitalized earning ability, and market value of stock and debt. When available, the staff also provides the Board with a market value indicator based on a sales comparison analysis (acquisition or merger) of a comparable railroad or utility company. The Board reviews all data and annually determines the total market value of the unitary property owned by each taxpayer.

Any taxpayer not in agreement with the Valuation Division's appraisal may appeal the assessment directly to the Board. During 1983–84, the Board received 26 petitions for reassessment of unitary property values. For 1984–85, 54 appeals have been received. Because the appeals can be heard long after the Board roll has been adopted, adjustments in value are reflected in the following year's roll.

The American Telephone and Telegraph Company's divestiture of Pacific Telephone and Telegraph Company and deregulation of the telephone industry had a significant impact on the Valuation Division's unitary appraisal workload. In prior years, the Board assessed the two principal telephone companies, AT&T's Long Lines and Pacific, the local operating company. However, implementation of the court-ordered divestiture resulted in the creation of more than a dozen new companies which are subsidiaries of these two firms. The Board has assessment responsiblity for property owned by several of these new telephone companies. The remaining nonregulated companies are locally assessed. More than 20 new long distance telephone companies have been certified by the California Public Utilities Commission and will soon begin operation in California.

In an attempt to keep up with a workload growing in size and complexity the Valuation Division conducted a pilot program in 1983–84 to evaluate the potential benefits of using personal computers to develop unit value indicators. It sent appraisers and managers to the Lincoln Institute of Land Policy's CASPER course to study a personal computer program which facilitates computer-assisted appraisal of

In the Valuation Division, Property Auditor-Appraiser Ron China compiles value indicators for utility properties.

Property Auditor-Appraiser Sang Le prepares his findings from an audit of a radio-telephone company. The income producing capabilities of a property are an important value indicator in the Board's appraisal.

public utility properties. The Institute subsequently provided the Board with its "canned" program and a loaned personal computer system to conduct the pilot program. To test the program, the staff entered last year's data for five companies into the computer and used the test program to develop unit value indicators for each company. The computer-generated values (most probable value) were then compared to the actual Board-adopted 1983 values for these companies and there was a high degree of correlation. This program appears to have great potential.

Other data processing improvements include implementation of a new on-line data processing program for the Valuation Division's roll preparation system. The new system, which became operational April 1, 1984, provides division personnel direct access to the central computer master file. The on-line data processing program will greatly speed up and streamline roll preparation and allocation procedures by enabling the staff to make corrections and modifications without the time delays associated with the transmittal of paper input documents. The staff now also has the ability to update master control and data files. Support personnel can prepare lists of land, fixed property, and continuous structure files to assist the appraisal staff and management can obtain information which was not feasible under the manual system.

A considerable amount of litigation is currently in state and federal courts concerning the Board's assessments of railroad unitary property. The state's five major railroads brought suit in state courts, seeking reductions in unitary assessments. In December 1982 these same companies obtained a federal court order prohibiting county tax collectors from collecting more than 50 percent of the taxes levied on rail transportation property. The railroads allege that the State of California illegally taxes railroads at a higher percentage of market value than is used for locally-assessed property.

During 1983–84 the Board staff worked with county assessors and the Attorney General to develop statewide sales ratio data needed to sustain the state's railroad assessments. Litigation of this assessment issue, specifically whether the state assessments violated the Federal Railroad Revitalization and Regulatory Reform (4R) Act, went to trial in September 1983 in the U.S. District Court of Northern California. The first issue consisted of the appropriate methodology to be employed in conducting this study. Preliminary data utilizing the court designated methodologies produced a ratio nearer 60 percent than 100 percent. Subsequently, the judge ruled that the railroads should pay 59.6 percent of their 1982–83 and 1983–84 tax bills pending resolution of several complex issues which remain in the case.

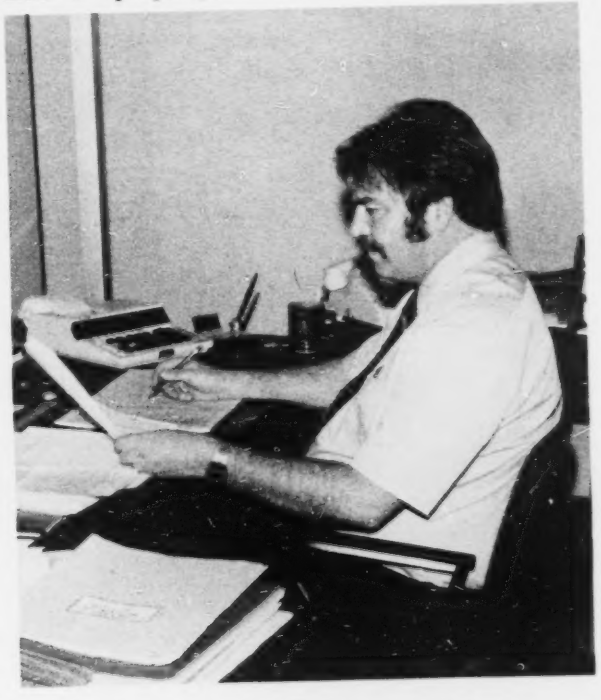
Although the properties assessed by the Board are subject to the same 1 percent maximum tax rate as those assessed by the county assessors, the Board ruled on June 14, 1978, that state-assessed property values were not limited by Proposition 13 and, therefore, should be enrolled at current market value. Several state assessees have challenged this interpretation in court, but the Board's position has been upheld in prior years. However, in March, 1984 the First District Court of Appeals in San Francisco overturned a lower court decision in *ITT World Communications Inc.* v. *City and County of San Francisco and State Board of Equalization.* The appellate court directed the Board to implement the provisions of Proposition 13. The Board appealed the decision to the State Supreme Court which agreed to hear the case. Thus, the issue is still unresolved.

Property Auditor-Appraiser Del Babb reviews his materials in preparation for an audit of a gas utility company in Southern California.

Private Railroad Car Tax

The tax on privately owned railroad cars is the only property tax that is directly levied, collected, and retained by the state. These cars are owned by companies that haul their own products, lease cars to other shippers, or provide a fleet of cars for a fee. The tax is based on the value of the cars, the length of time they remain in the state, and the average property tax rate levied on all property in the state for the preceding year. Cars owned by the railroads are not subject to the private railroad car tax since they are subject to the general property tax and are included in the unitary value of the railroads. For 1983–84, the taxes levied on private railroad cars totaled $6,206,129, including $2,507,276 which the U.S. District Court of Northern California has allowed the railroad car companies to withhold pending the resolution of litigation between them and the Board.

In 1983, 29 companies filed petitions for reassessment of their Private Railroad Car Tax, seven more than in the previous year. Several of the companies also obtained a federal court order precluding collection of more than 59.6 percent of their 1983–84 taxes based on the 4R Act litigation in progress. The U.S. Ninth Circuit Court of Appeals decided in favor of the railroad car companies, ruling that the Federal 4R Act requires that railroad property be taxed at the same rate applied to the majority of commercial and industrial property.



In the Valuation Division, Property Auditor-Appraiser John Bessler prepares a report on his audit of a radio-telephone company.

In the Tax Area Services Section, Delineator Andy Onodera reads the legal description of a new taxing jurisdiction before drafting a tax area map.

Auditing Financial Records of Utility Companies

The accuracy of income and expense data, asset and liability accounts, and reserve accounts information submitted by state-assessed taxpayers is verified through the Board's audit program. A four-year audit schedule has been designed to encompass all state assessees within the statute of limitations. The audit program, which began in 1977, has resulted in escape assessments of approximately $1.35 billion, generating $16.5 million in additional local property tax revenues. During 1983–84 the Board adopted escape assessments discovered by staff auditors with a total assessed value of $128.3 million which generated $1.4 million in property tax revenues. The escape assessments discovered by Board auditors continue to produce revenue every year.

Tax Rate Area Mapping Program

Over 7,000 taxing jurisdictions, collectively termed revenue districts, are authorized to collect a property tax in California from all taxable property located within their boundaries. Counties, cities, and school districts are the principal agencies within this structure. However, the vast number of districts is derived primarily from thousands of overlapping special districts collectively providing a variety of local services, such as water treatment, fire fighting, irrigation, lighting, flood control, mosquito abatement, or port maintenance. To assure proper identification of taxable property to each of these jurisdictions and the proper allocation of property tax revenue, an elaborate system of tax maps is maintained by the Board of Equalization.

In the Valuation Division's Tax Area Services Section, Delineator Chuck Lano uses a microfilm reader to look up a tax area map.

Boundaries of these jurisdictions overlap in every conceivable manner, forming clusters of properties served by common revenue districts with each having a common tax rate. A coding system which translates this complex geographical structure is maintained by the Board's Tax Area Services Section. A six-digit tax rate area code identifies every area in which there is a unique combination of overlapping revenue districts. As of the March 1, 1984 lien date, there were 41,061 tax rate areas, an increase of 7.3 percent over the 1983 lien date.

Whenever a revenue district is created or territory is annexed to or detached from an existing district, a map, legal description, and other information must be filed with the Board. Board staff then plot the new boundaries on a statewide map system and assign the appropriate tax rate area code(s). Prints of the revised maps are then distributed to affected state assessees and the county assessors. During fiscal year 1983–84, the Board's staff processed 2,224 jurisdictional changes. This figure represents a 46 percent increase over the prior year's workload.

State assessees must report their property to the Board arranged in tax-rate area sequence. Locally assessed properties are similarly reported. Because both the Board roll and the local roll follow the same coding sequence, the county auditor's job of allocating property tax revenues is greatly simplified.

The maps maintained by the Board are used to certify to the federal government the boundaries of California's school districts and other local government entities. The Board's Executive Secretary is the state official responsible for the certification of local government boundary changes. This information is required to maintain accurate census records and direct the proper distribution of federal revenue sharing funds. The Board's tax rate area maps comprise the only statewide mapping system of local government jurisdictions.

Timber Tax Program

The Timber Tax Division was formed to administer the Forest Taxation Reform Act, which was effective April 1, 1977. This conservation measure replaced the ad valorem method of property taxation under which both land and timber were taxed each year at their full value. Because they had to pay an annual tax on increasingly valuable timber, owners had often found it more profitable to cut and sell their timber before it was fully mature. In an effort to conserve California's rapidly dwindling timber supply, the voters in 1974 approved Proposition 8, instructing the Legislature to develop an alternative method of taxation. Under the system set forth in the Forest Taxation Reform Act, standing timber is no longer included in the market value of a property; timber is taxed only when it is cut (harvested). The Timber Tax Law did not reduce property taxes, but instead eliminated the tax disadvantages associated with growing forest products under the ad valorem system.

Timber Taxes are levied and collected based upon the revenue or yield received from the harvest of a

Bruce Dear, Property Auditor-Appraiser in the Timber Tax Division, reviews timber company documents which itemize the year's sawlog purchases.

In the Timber Tax Division, Program Technician Sherilyn Larsen assists a taxpayer in filling out a timber tax return.

Data Processing Analyst Bill Morris tests a new computer program he developed for the Timber Tax Division to calculate timber harvest values.

forest product. Actual value of a timber harvest is determined from value schedules updated semiannually by Board personnel. These schedules establish the harvest value for each species of forest product. Basis for harvest value is the actual market value of a tree as it sits in the forest "on the stump." Stumpage value is determined by staff based on analysis of open market timber and log sales in conjunction with on-site sale examinations.

Preliminary harvest values developed by the staff are first reviewed by the Timber Advisory Committee, a Board-appointed committee specified in the Forest Taxation Reform Act. After consultation with the Timber Advisory Committee, the Board adopts the harvest value schedules no later than June 30 and December 31 each year. These harvest value schedules are prepared for different areas of the state and registered timber owners must use the schedules to compute the value of their harvested timber and the amount of tax payable to the Board.

The Timber Advisory Committee includes a member of the State Board of Equalization, presently the Honorable William M. Bennett, the First Equalization District Member, as Chairman; a representative of the Board of Forestry; the assessors from Del Norte, Humboldt, Mendocino, Siskiyou, and Tehama Counties; and one representative each for large-scale and small-scale timber owners.

The Board annually adjusts the yield tax rate in December to be applied during the following calendar year. The tax rate is the previous year's tax rate adjusted to the nearest one-tenth of 1 percent in the same proportion as the change in the average general property tax rate in counties specified in the Timber Yield Tax Law. The current rate is 2.9 percent.

Application of the yield tax is illustrated in the following example where a second growth Ponderosa Pine tree is harvested.

Net volume of tree	800	board feet (b.f.)
Harvest value of tree	x $.09	per b.f.
Harvest value of tree	$72.00	
Yield tax rate	x .029	
Yield tax generated from tree	$2.09	

In addition to establishing harvest values and yield tax rate the Board is responsible for collection and disbursement of yield tax funds.

The law provides for a self-assessment system. The Board solicits voluntary cooperation from timber owners and provides assistance through Timber Tax Division offices located in Eureka, Redding, and Sacramento. To facilitate tax collection the Timber Tax Division registers timber owners, provides tax returns, compiles harvest reports, processes tax payments and returns, conducts verification audits, and reviews harvest operations for tax compliance purposes. The division also formulates proposed rules for approval by the Board members.

About 1,500 active timber owners are currently registered with the Board. New registration and offsetting account closeouts average about 50 per month. Verification and compliance activities resulted in the processing of approximately 500 additional deficiency billings in 1983–84.

Yield tax revenue is received every three months based on quarterly self-reporting returns filed by timber owners. Total tax collected on timber harvested during fiscal year 1983–84 amounted to $11.7 million on a total timber harvest value of $401 million.

Revenue from the Timber Yield Tax is distributed by the State Controller to the proper counties after state costs of administering the program are reimbursed. Assembly Bill 3296 (Chapter 1058), signed into law during 1982, revised the method of distributing yield tax revenue. Beginning with fiscal year 1983–84, 50 percent of the revenue distribution is based on a revenue guarantee formula and 50 percent is based on return of revenue to the county of harvest. During 1984–85 and thereafter, revenue distribution will be based entirely on county of harvest.

Land in California used for growing timber and so designated is identified as being in a Timberland Production Zone (TPZ). This zoning qualifies the land for restricted county assessment and valuation procedures as prescribed by law. Approximately 5.6 million acres are designated Timberland Production Zone.

Senate Bill 748 (Chapter 1198, Statutes of 1983), signed into law in September, revised the method of valuing timberland zoned as Timberland Production Zone. This bill requires the assessor to use the appropriate site value, as prescribed in a new valuation schedule beginning in the 1984–85 fiscal year. The bill also requires annual adjustment of the land values by the Board in a specified manner using a ratio between two sets of five-year immediate harvest values.

Property Taxes Legislation

From July 1983 through June 1984, the Legislature enacted many bills which directly affected the roles of county assessors and the Board. The most important of these are described in the following summaries, which detail bill number, chapter number, and the date signed by the Governor.

PROPOSITION 13

SB 521—Chapter 1187—September 28, 1983
Earthquake Reinforcing Excluded from Reappraisal

This bill became effective following the approval by the voters of SCA 14 of the 1983–84 Regular Session (Proposition 23 on the June 1984 ballot). SB 521 excludes from the definition of new construction for a period of 15 years the reconstruction or improvement done to a structure built with unreinforced bearing walls when that reconstruction or improvement is necessary to comply with local seismic safety ordinances.

SB 622—Chapter 694—September 11, 1983
Board Must Consider County Assessor's Data

This bill required the State Board of Equalization, when valuing the nonunitary property of a state assessee, to consider information provided by the county assessor relating to the current market value of comparable properties.

TIMBER LANDS

SB 748—Chapter 1198—September 28, 1983
Land Values for TPZ Revised

This bill revised the site value schedules for Timberland Production Zones. For 1984, the schedules will be stated in fixed amounts; thereafter the values will be determined by a formula based on the most recent five fiscal years' net harvest value and total harvest volume.

PROPOSITION 3 (ARTICLE XIIIA, SECTION 2(d))

AB 1098—Chapter 662—September 7, 1983
Tax Relief for Displaced Property Owners Implemented

This bill implemented the exclusion from change in ownership approved by the voters in the general election held in November 1982. This exclusion applies to real property acquired to replace property taken by eminent domain, judgment of inverse condemnation, or acquisition by a public entity. This bill limits the amount of the assessed value of the comparable replacement property according to a specific formula.

MOBILEHOMES

AB 1136—Chapter 1281—September 30, 1983
Period for Reinstatement of Mobilehomes Extended

This bill, among other features, extended until January 1, 1984 the reinstatement filing period for mobilehome owners whose mobilehomes had become subject to local property taxation because of a vehicle license fee delinquency between July 1, 1980 and March 1, 1982.

SB 191—Chapter 349—July 25, 1983
Mobilehome Accessories Excluded from Local Property Taxation

This urgency bill provided that mobilehome accessories installed on rented land with a mobilehome first sold prior to January 1, 1977, and which were subject to the vehicle license fee (which is rebuttably presumed to be the case) would not be subject to local property taxation unless the mobilehome itself was also taxable or the accessories were attached to the land.

SB 797—Chapter 807—September 14, 1983
Assessors Must Consider Mobilehome Value Guides

This bill required the county assessor, when valuing mobilehomes on rented or leased lands to take into consideration the selling prices for mobilehomes suggested by recognized value guides.

EXEMPTIONS

AB 1134—Chapter 312—July 18, 1983
Eligibility for Filing Claims for Exemption Expanded

This bill allowed claimants who were found ineligible for either the church or religious exemptions to file a claim for the welfare exemption within a specified period.

SB 516—Chapter 960—September 21, 1983
Welfare Exemption Extended to Certain Nonprofit Corporations

This bill provided that property owned and operated by a nonprofit corporation that would otherwise qualify for the welfare exemption shall be considered exclusively used for hospital purposes so long as the property is actually exclusively used for hospitals which qualify for the welfare exemption under state or federal laws.

SB 1275—Chapter 120—June 27, 1983

Retroactive Claims Allowed for Religious Exemption

This bill made the religious exemption retroactive to the 1977–78 fiscal year and allowed the filing of claims accompanied by filing fees for fiscal years 1977–78 through 1982–83.

OPEN-SPACE CONTRACTS

AB 689—Chapter 864—September 16, 1983
Open-Space Contract Cancellation Procedures Made More Stringent

This bill required that deferred taxes collected pursuant to any cancellation of an open-space (Williamson Act) contract be transmitted to the State Controller within 30 days of the issuance of a certificate of cancellation. It also required that the Director of the Department of Conservation be notified of any pending cancellation of an open-space contract.

AB 779—Chapter 1296—September 30, 1983
Discretionary Power of Local Boards and Councils Increased

This bill provided that city councils and county boards, when considering proposed cancellations of open-space contracts pursuant to the "window bill" (Chapter 1095, Statutes of 1981), may act according to their own discretion and are not required to cancel an open-space contract after making certain findings.

AB 1345—Chapter 880—September 18, 1983
Open-Space Contract Requirements Modified

This bill allowed intrafamily transfers of lands subject to open-space contract under written agreement to operate the agricultural business located thereon under joint management. It also allowed a city or county, under specified conditions, to rescind simultaneously an open-space contract and execute a new contract on land not already under contract.

SUPPLEMENTAL ASSESSMENTS

AB 399—Chapter 1102—September 26, 1983
Supplemental Assessment Statutes Clarified

This cleanup bill for SB 813 clarified various aspects of how supplemental assessments are to be administered.

SB 813—Chapter 498—July 28, 1983

Supplemental Assessments Mandated

This omnibus educational reform and school finance bill required the accelerated collection of property taxes for real property, including taxable mobilehomes, that changed ownership or was newly constructed on and after July 1, 1983.

MISCELLANEOUS

AB 1200—Chapter 1224—September 18, 1983
Various Aspects of Property Tax Law Revised

This bill made changes to property tax law in the following primary areas:

(1) the exemption of low-valued property
(2) escape assessments not caused by assessees' errors
(3) hearing officers for assessment appeals
(4) penalties and fees
(5) cancellation of small tax bills
(6) contents of the county tax bill.

V. BUSINESS TAXES

Established by the California Constitution in 1879, the Board of Equalization was involved exclusively with property taxes for the first four decades of its existence. The Constitution was amended in 1911, assigning to the Board responsibilities for assessing corporation franchise taxes, a bank share tax, a gross receipts tax on public utilities, and insurance taxes. Of these, only the insurance tax is still administered by the Board. The bank and corporation tax structure was revised in 1929, assigning administration to the Franchise Tax Board and replacing the Board of Equalization's assessing function with an appellate role. Since 1935, public utility properties have been valued by the Board for local property taxation, ending the earlier gross receipts tax on utility firms.

The Legislature assigned its first statutory tax to the Board in 1923 when it enacted the Motor Vehicle Fuel Tax Law. Since then, virtually every new tax law has been assigned to the Board for administration. The California Personal Income Tax Law was the major exception. Most significant was the Retail Sales Tax Act of 1933, which has been California's chief revenue source for the past half-century. Only within the past five years has income tax revenue begun to approach the sales tax level, closing the gap to under $100 million for the first time last year. This year, the state income tax receipts will exceed state sales tax revenues for the first time in history.

Southern California Area Recruiter Minoo Behboody (right) describes the advantages of the Board as an employer to three accounting students at a local college.

Except for property taxes, all the taxes administered by the Board are collectively termed "business taxes" for convenience of classification because they deal with various types of business or with some aspect of commerce, as distinguished from the two other major tax categories, property taxes and personal income taxes. For sheer volume of revenue produced, the sales and use tax totally overwhelms the other Board business tax programs. Following is a listing of the business taxes administered by the Board and the pages on which each is described:

California Sales and Use Tax (p. 46)
City and County Sales and Use Taxes (p. 48)
Transit District (Transactions) Sales and Use Taxes (p. 48)
Use Fuel Tax (49)
Motor Vehicle Fuel License Tax (Gasoline and Aircraft Jet Fuel) (p. 50)
Cigarette Tax (p. 51)
Alcoholic Beverage Tax (p. 51)
Insurance Tax (p. 52)
Emergency Telephone Users Surcharge (p. 53)
Moore Universal Telephone Service Act (p. 54)
Energy Resources Surcharge (p. 55)
Hazardous Waste Tax (p. 55)
Hazardous Substance Tax (p. 56)

These programs were responsible during fiscal 1983–84 for $13.2 billion in state and local revenue, collected by the Board at a cost of $91,851,000, or 70 cents for each $100 collected from business taxes.

The business tax laws are based on a system of self-assessment. The Board solicits voluntary cooperation from the more than 860,000 taxpayers in filing their tax returns, and provides service and assistance to those taxpayers through 57 offices in convenient locations statewide. The Board also maintains offices in New York, Chicago, Houston, and Sacramento for taxpayers who do business in California but whose records or headquarters are located in other states. A complete directory of office locations and telephone numbers is published on page A-43 in the Appendix of this report.

Audit Activities

Through its field audit activities the Board tries to assure that each taxpayer is paying the correct amount of tax. Table A summarizes the results of the Board's business taxes field audit program for the past three fiscal years. Table B provides a more detailed analysis of the results for the 1983–84 fiscal year. It is apparent that tax recovery exceeds the costs of the audit program by a wide margin, to the benefit of both state and local governments.

During the 1983–84 fiscal year, the Board's audit program detected a total of $234.0 million in tax deficiencies. Each hour of field audit time produced $237.43 in additional tax revenue, up from $205.15 in the prior fiscal year. Stated another way, $5.49 was recovered for each dollar of cost expended on the program. A total of $22.4 million in overpayments by taxpayers was also discovered and refunded or credited to them.

Based on statistical sampling, the Board's audit program is designed to concentrate on accounts most likely to make substantial errors in underreporting tax. Only about 3 percent of the Board's active business tax accounts are audited or given a limited examination during a year. Therefore, the selection of accounts for audit is of key importance, and they are chosen on the basis of the net assessment they are expected to produce.

Some of the largest domestic and multinational corporations doing business in California—such as airlines, data processing equipment firms, oil companies, automobile manufacturers, tire companies, steel plants, chemical companies, and television broadcasters—are headquartered at out-of-state lo-

TABLE A

SUMMARY OF BUSINESS TAXES FIELD AUDIT ACTIVITIES
FISCAL YEARS 1981–82 to 1983–84

Year	Number of Audits Completed a	Hours of Direct Field Audit Time b	Average Hours Per Audit a,b	Direct and Indirect Cost c	Audit Recovery (a,d,e) Total	Per Hour	Per Dollar of Cost
1983–84	22,488	985,689	43.8	$42,601,000	$234,034,000	$237.43	$5.49
1982–83	23,773	1,007,420	42.4	$38,586,000	$206,671,000	$205.15	$5.36
1981–82	25,633	1,019,956	39.8	$36,219,000	$174,400,000	$170.99	$4.82

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes overhead costs and a portion of the costs of other state agencies such as the Department of Finance and the State Personnel Board.
[d] Includes audit recovery arising from state-administered local taxes.
[e] Adjusted for estimated cancellations.
NOTE: Table A includes refund items except for "Net Tax Deficiencies".

TABLE B

ANALYSIS OF BUSINESS TAXES FIELD AUDIT ACTIVITY FISCAL YEAR 1983–84

Tax Program	Number of Audits a	Number of Hours b	Hours Per Audit a,b	Audit Recovery a,c,d Net Tax Deficiencies	Refunds
Sales and Use Tax	21,557	960,856	44.6	$225,400,984	$16,829,105
Use and Fuel Tax	774	13,891	17.9	1,140,054	248,436
Motor Vehicle Fuel License Tax	80	7,557	94.5	7,116,795	5,295,107
Alcoholic Beverage Tax	59	2,608	44.2	303,126	6,126
Cigarette Tax	18	777	43.2	72,816	–
Total Business Taxes	22,488	985,689	43.8	$234,033,775	22,378,774

[a] Includes field billing order deficiencies based on a field investigation of a limited phase of the taxpayer's business.
[b] Includes the transmitted hours for re-audits and hours spent on field waivers.
[c] Includes audit recovery arising from state-administered local taxes.
[d] Adjusted for estimated cancellations.
NOTE: Table B includes refund items.

cations. These large firms are audited by personnel of Board offices in New York, Chicago, and Houston. Some of these audits are made in collaboration between in-state and out-of-state auditors when certain portions of the records must be verified at in-state offices or plant locations.

Under the direction of the Principal Tax Auditor, the Board's headquarters audit staff in Sacramento plans, guides, coordinates, and evaluates audit activities. They are also responsible for a number of key support activities, including direction of the audit selection system, development of uniform audit practices and standards, evaluation of field audit activities, and resolution of taxpayer petitions and claims for refund. The headquarters audit staff prepares and updates informational Tax Tip pamphlets and Tax Information Bulletin articles for release to the public, analyzes legislative bills affecting business taxes programs administered by the Board, and directs an extensive statewide audit training program.

Enforcement Activities

Proper licensing of business firms is one of the major responsibilities of the Board's compliance staff. At the Board's field offices, taxpayers can receive advisory services and information regarding tax laws and regulations.

At the end of fiscal year 1983–84, a total of 867,769 active business taxes accounts were registered with the Board. This total included 791,791 sales and use tax accounts, 65,934 use fuel tax accounts, 939 motor vehicle fuel tax (gasoline) accounts, 2,637 alcoholic beverage tax accounts, 405 cigarette tax accounts, 1,274 insurance tax accounts, 122 emergency telephone users surcharge accounts, 67 energy resources surcharge accounts, 200 hazardous waste tax accounts, and 4,400 hazardous substance tax accounts.

The collection of delinquent taxes is a major function. During fiscal year 1983–84, the Board recovered delinquent accounts receivable at the rate of $436 for each hour of collection time expended.

The Board continued its efforts to curb the misuse of seller's permits and resale certificates which provide a sales tax exemption to the holder under certain conditions. Inquiries were sent to taxpayers who reported no sales activity during 1983 and as a result over 22,315 inactive accounts were closed, effective December 31, 1983.

Penalties for misuse of a resale certificate were strengthened with the enactment of SB 1325 (Chapter 512), effective July 17, 1984. This measure imposes a penalty of $500 or 10 percent of the tax, whichever is greater for misuse of a resale certificate. Other penalties which may be imposed include criminal prosecution, fines, or revocation of the seller's permit.

Chicago Tax Auditors Vickie Nommensen Strauss and Walter Cochara are on their way to a taxpayer's office in the Loop, having met under the famous Marshall Field's clock shown in the background. The Board maintains offices in New York, Chicago, and Houston which audit out-of-state companies that do business in California.

The Board and other state agencies cooperate to collect use taxes and enforce other state laws. The Board contracts with the Department of Motor Vehicles to collect use tax on vehicles and most vessels. The Department of Housing and Community Development, under contract with the Board, collects use tax on mobilehomes. If either department is unable to collect the use tax due, the Board collects the tax directly from the purchaser.

The Foreign Resident Violation Program, conducted jointly by the Board, the California Highway Patrol, and the Department of Motor Vehicles, is designed to discover vehicles operated by California residents and businesses but illegally registered in other states. The Board investigates referrals on out-of-state vehicles by the California Highway Patrol to determine the legal residence of the owners and the Department of Motor Vehicles collects the use tax when the vehicle is properly re-registered in California. At the close of the 1983–84 fiscal year, there were

Business Taxes Representatives Allan Widmeyer (right) and Cordie Willingham (center) are greeted by the proprietor as they arrive to conduct their investigation in the Hollywood District.

11,000 investigations in progress with over $5.1 million in fees and taxes due. Additionally, the Board staff works closely with the Air Resources Board regarding the importation and use of foreign-manufactured vehicles not meeting California's emission control standards.

Tax Return Processing

Tax return forms are furnished to taxpayers by the Board and must be filed with a remittance for the amount due. The majority of accounts report on a quarterly basis, but a substantial number file monthly or annually.

Sales tax return forms contain various coded information which identifies the kind of business, location, reporting period, account number, and other pertinent data needed for processing, statistical purposes, and allocation of revenues. The forms include simplified line-by-line instructions and spaces for the taxpayer to report total gross sales, list deductions, and compute specific portions of tax for allocation to state and local governments and transit districts. Taxpayers are required to maintain adequate records to support the information reported on the return.

A total of nearly 3.2 million sales and use tax returns were filed during fiscal year 1983–84 and $11.6 billion was paid in state and local taxes.

Tax returns are mailed by taxpayers to the Board headquarters in Sacramento where they are processed, and virtually all tax payments are deposited within 24 hours. All tax returns filed with the Board are individually reviewed for accuracy of mathematical computations and correct entry of deductions. Approximately 7.5 percent of the returns reviewed require additional action such as billings, refunds, adjustments, or correspondence requesting further information or providing advice on the application of tax laws and regulations.

The Board has continued to review its sales tax accounts to implement legislation first enacted in 1967 which requires taxpayers with monthly taxable sales volume of $17,000 or more per month to remit their quarterly taxes in two monthly prepayments followed by a quarterly cleanup tax return and payment. During fiscal year 1982–83 approximately 80,000 sales tax accounts were affected by this legislation. An additional 4,400 sales tax accounts were converted to a prepayment reporting basis during 1983–84.

California Sales and Use Tax

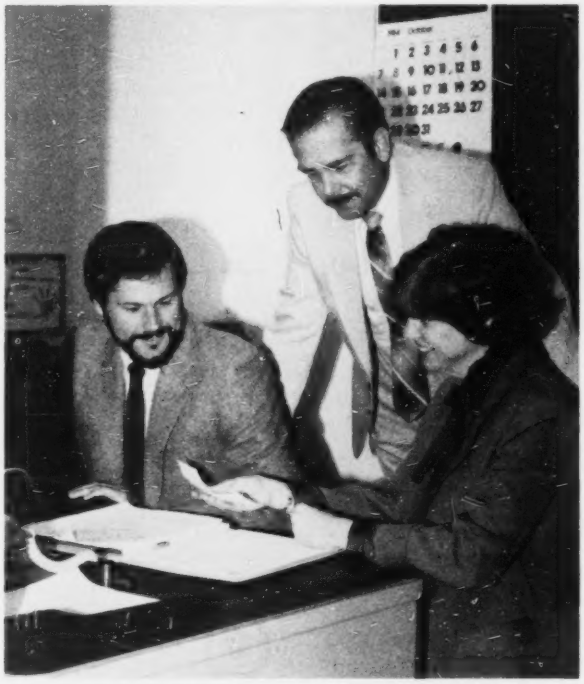
Sales tax is imposed upon retailers at the rate of 6 percent for sales of tangible personal property sold at retail. A retail sale is defined as a sale of property for any purpose other than resale in the regular course of business. The total 6 percent tax rate includes state tax of 4.75 percent and state-administered city and

Program Technician Rose Yokote of the Return Review Unit receives incoming calls and reviews taxpayer replies to tax shortage billings.

county taxes of 1.25 percent. An additional Board-administered tax of one-half of 1 percent is in effect in five transit districts that serve seven counties for an overall rate of 6.5 percent. The use tax applies at the same rate as sales tax to the storage, use, or other consumption in California of property purchased from a retailer which is not subject to sales tax. Use tax rather than sales tax generally applies when the property purchased is shipped from an out-of-state point to a California consumer.

Most retail sales and leases of tangible personal property are subject to sales tax; however, there are numerous exemptions. The most significant exemptions cover sales of cold food for home consumption; prescription medicines; gas, electricity, and water delivered through mains, lines, or pipes; newspapers and periodicals; and aircraft sold to common carriers. A complete listing is available in the Sales and Use Tax Law, Revenue and Taxation Code, Sections 6351 through 6422.1 or in Board Pamphlet 61, "Exemptions and Exclusions from Sales Tax."

All persons engaged in the business of selling tangible personal property subject to the sales tax must obtain a seller's permit from the Board. Seller's permits must also be obtained by manufacturers and wholesalers unless they deal entirely in tax-exempt merchandise such as food products. No fee is charged for the permit but the applicant may be required to furnish security to assure payment of the tax. A seller's permit remains valid unless suspended or revoked by the Board or surrendered to the Board for cancellation; it need not be renewed. A separate permit is required for each place of business. A seller's permit may be held only by persons actively engaged in business as a seller. The law requires most permit holders to file tax returns quarterly, but the Board may require some taxpayers to file monthly or annually instead.



In the Compliance Planning and Evaluation Unit, Business Taxes Compliance Specialists (left to right) Robert Martin, Robert Haeussler, and Bette Davis prepare an operations memo which will guide enforcement procedures in the district offices.

Office Assistant Genny Mitchell maintains taxpayer account files in the Covina Foothills office.

For the 1983–84 fiscal year $8,797,924,000 in sales and use taxes were deposited into the Retail Sales Tax Fund of the State Treasury. Although adjustments are made for refunds to individuals or corporations who have overpaid their sales tax liability, the Government Code authorizes the State Controller to offset any overpayment credit against any existing liability the recipient may have with another state agency.

In California the sale of an aircraft, mobilehome, vehicle, or vessel is subject to sales or use tax. If the property is sold by a licensed dealer, the dealer is responsible for reporting and paying the sales tax directly to the Board. If the sale is between private individuals, the purchaser is responsible for paying the use tax directly to the Board or its authorized agents.

City and County Sales and Use Taxes

Every city and county in California imposes a local sales and use tax under the terms of the Bradley-Burns Uniform Local Sales and Use Tax Law. Cities levy a 1 percent tax and counties a .25 percent tax for a combined local tax rate of 1.25 percent. The cities and counties are required to contract with the State Board of Equalization to administer the ordinance imposing the tax.

A major function performed by the Board is the allocation and distribution of funds to the proper local jurisdiction. The law provides that all retail sales are considered to be made at the place of business of the retailer unless the property is delivered by the retailer, his agent, or by common carrier to an out-of-state destination. The local sales tax must be allocated to the jurisdiction where the sale occurred.

To maintain cash flow to local governments, the Board distributes quarterly revenues to cities and counties on a monthly basis. The amount of each monthly payment is based on a percentage of the revenues distributed in the prior year's comparable quarter. A final "cleanup" payment is made following the tabulation of quarterly returns so that each city and county receives the exact amount of allocated funds to which it is entitled. For the fiscal year 1983–84, the Board distributed $2,238,954,000 in local tax revenues to the cities and counties.

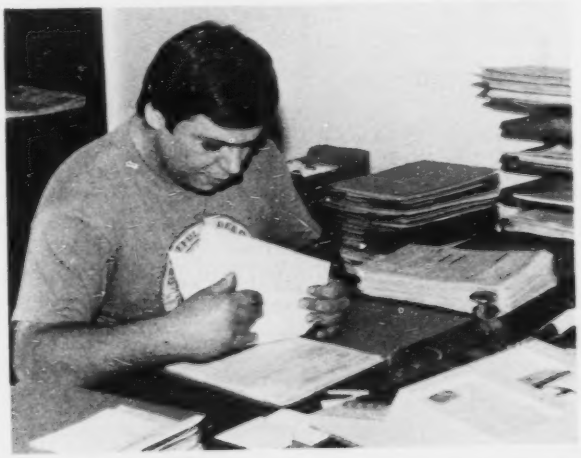
Cities and counties supply the Board with detailed maps of their jurisdictions which are used by the Board to verify tax area coding. Cities cross-check their business license records with the Board's sales tax registration records. Board records are open for examination by local tax officials who wish to verify the accuracy of revenue distributions. Statistical reports published by the Board help local governments forecast revenues, measure economic trends, and determine what types of business generate the most revenue.

County Transit District Sales (Transactions) and Use Taxes

In 1970 the Board began administering transit district sales transactions and use taxes. Today, over half the state's population lives in the seven counties which impose an additional one-half of 1 percent tax for the support of transit systems. Transit taxes are currently imposed by the San Francisco Bay Area Rapid Transit District (San Francisco, Alameda, and Contra Costa counties), Santa Clara County Transit District, Santa Cruz Metropolitan Transit District, Los Angeles County Transportation Commission, and San Mateo County Transit District.

The Board administers under contract the ordinances imposing transit district taxes and allocates the amount collected to the district. During 1983–84, the Bay Area Rapid Transit District and Metropolitan Transportation Commission received $95,781,000, the Santa Clara County Transit District received $62,787,000, the Santa Cruz Metropolitan Transit District received $6,382,000, the Los Angeles County Transportation Commission received $257,444,000, and the San Mateo County Transit District received $23,344,000.

The provisions of the transactions and use tax law are similar to those of the local sales and use tax laws with certain exemptions. The transactions tax does not apply to sales of property made to purchasers for use outside the district if it is shipped to a point outside the district. The obligation to collect the tax is limited to retailers engaged in business within the



Account Clerk Steve Whittington, Audit Control Unit, processes requests for audit information received from the Board's district offices.

Inglewood Tax Auditor Raul Gonzalez completes an audit report which he will submit for review.

Account Clerk Dottie Fuller of the Account Reference Unit maintains records of use fuel tax credits and prepares refunds to permit holders who have paid the tax but used the fuel for exempt purposes.

Senior Word Processing Technician Karen Nakao prepares a report listing out-of-state truckers who hold use fuel tax permits.

district or making deliveries into the district. Nor does the transactions tax apply to a sale of property pursuant to a contract for a fixed price entered into prior to the operative date of the ordinance.

Use Fuel Tax

Diesel fuel, liquefied petroleum gas (including propane), liquefied natural gas, compressed natural gas, ethanol, and methanol fuels which are used to propel motor vehicles are subject to the use fuel tax. Those motor vehicle fuels such as gasoline and gasohol which are not taxed under the Use Fuel Tax Law are subject to the Motor Vehicle Fuel License Tax Law.

The rate of tax is 9 cents per gallon of diesel and similar fuels; 6 cents per gallon of liquefied petroleum gas and liquefied natural gas; 7 cents per 100 cubic feet of compressed natural gas, measured at standard pressure and temperature; and 4.5 cents per gallon on ethanol and methanol.

The person who sells the fuel and places it in the fuel tank of a motor vehicle is a "vendor" and must collect the tax from the user. Both vendors and users must obtain a permit from the Board and deposit the required security.

Several important categories of fuel users are excluded from the use fuel permit requirement. A permit is not required if the user does not maintain his own bulk storage tanks and uses fuel only to propel (1) a privately operated passenger motor vehicle (diesel-powered cars, primarily), (2) a commercial vehicle with unladen weight under 7,000 pounds, or (3) a privately operated two-axle truck which has been rented or leased for a period of 30 days or less.

Instead of paying the gallon rate, the owner or operator of a vehicle propelled by liquefied petroleum gas, liquefied natural gas, or compressed natural gas may pay an annual flat rate tax based on the type or weight of the vehicle.

Out-of-state truckers operating in California were affected by Senate Bill 80 (Chapter 1000) which became effective January 1, 1984. This measure imposes a penalty of $500 against any person who uses diesel fuel in this state which was not acquired from a vendor with a use fuel tax permit or who uses diesel fuel without a valid use fuel tax permit. This act requires the penalty to be a lien against the vehicle and allows the vehicle to be impounded until the penalty and any impounding or storage costs are paid. SB 1325 (Chapter 512, Statutes of 1984) cancelled penalties against persons who failed to obtain the required use fuel permit from January 1 through August 16, 1984 and provided for the refund of penalties paid. Penalties remain in effect after August 16, 1984.

Senate Bill 80, also authorized the Board to issue a use fuel trip permit at a cost of $30 to holders of trip permits issued by the Department of Motor Vehicles. The use fuel trip permit is issued in lieu of a regular use fuel tax permit and is valid for the same four-day period as the trip permit issued by Department of Motor Vehicles. Through an interagency agreement, the use fuel trip permit may be purchased at the Department of Motor Vehicles along with the four-day trip permit.

Legislation enacted in 1983 accelerated the due dates on use fuel tax and motor vehicle fuel license tax returns. Assembly Bill 223 (Chapter 323, Statutes of 1983) moved the due date to the 15th day of the month following the month to which the returns re-

late. Assembly Bill 399 (Chapter 1102, Statutes of 1983) subsequently amended the due date from the 15th day to the 25th day of the month following the month to which the return relates. It also requires users and vendors of diesel fuel whose tax liability averages $2,000 or more per month to prepay 95 percent of such liability on the 15th day of the month following the month to which the prepayment applies.

The Board collected a total of $125,737,000 in use fuel taxes and fees for 1983–84. There were 62,738 user use fuel and 3,196 vendor use fuel permits in force as of June 30, 1984.

Motor Vehicle Fuel License Tax (Gasoline and Aircraft Jet Fuel)

The Motor Vehicle Fuel License Tax is imposed at the rate of 9 cents per gallon on the first distribution of fuel in this state. Businesses dealing in motor vehicle fuel (gasoline) in quantities of 200 gallons or more —primarily refiners and importers—are required to be licensed by the Board.

Under the Motor Vehicle Fuel License Tax Law, gasohol, a motor vehicle fuel composed of a blend of gasoline and not less than 10 percent alcohol, is taxed at the same rate as gasoline.

Legislation passed in 1980 gave gasohol a partial sales and use tax exemption which amounted to 3 cents per gallon in 1982–83. Senate Bill 1030 (Chapter 1321, Statutes of 1983) extended the partial exemption until January 1, 1987, provided that alternative funding or reimbursement was made to the Transportation, Planning, and Development Account on or before June 30, 1984. No reimbursement or alternative funding was provided in the 1984–85 budget and consequently the partial exemption for gasohol expired June 30, 1984.

Tax Auditors Ernie Lucero (left) and Phil Klepin (center) confer with San Diego District Principal Auditor Craig Clauson on the use of software for the office's new microprocessor.

To verify accurate payment of cigarette tax, Tax Auditor Laura Olson of the Excise Tax Unit compares reports of cigarettes purchased by California distributors with amounts reported by out-of-state manufacturers.

The total number of gallons of gasohol reported as sold by distributors during fiscal year 1983–84 was 479.4 million gallons, a decrease of 75.5 million gallons from 1982–83.

Assembly Bill 223 (Chapter 323) effective August 1, 1983 accelerated the due dates of the motor vehicle fuel tax returns to the 15th day of the month following the month to which the returns relate. However, Assembly Bill 399 (Chapter 1102) effective November 1, 1983 subsequently amended the due date for the motor vehicle tax returns to the 25th day of the month following the month to which the return relates. It also required distributors whose estimated tax liability averages $900,000 or more per month to prepay 95 percent of their liability on the 15th day of the month following the month to which the prepayment applies.

The total motor vehicle fuel tax reported on gasoline, including gasohol, for fiscal year 1983–84 amounted to $1,027,909,000, an increase of 16.7 percent from 1982–83. A total of 11.3 billion gallons was distributed in the state during 1983–84, an increase of 4.0 percent from 1982–83.

The 2-cent-per-gallon tax on aircraft jet fuel is paid primarily by private corporations which operate private jets. Sales to the major users of jet fuel—common carriers, the United States Armed Forces, and persons engaged in constructing or repairing aircraft —are exempt from the jet fuel tax.

Business Taxes Representative Vel Older prepares close-out documents for an account in the Arcadia District.

The total aircraft jet fuel tax collected for fiscal 1983–84 was $845,000 on distributions of 4.25 million gallons, a 20.2 percent revenue increase from 1982–83.

Cigarette Tax

The cigarette tax is imposed on distributors of cigarettes at a rate of 5 mills ($0.005) per cigarette, which equals 10 cents per pack. The tax has been imposed at the current rate since October 1967. Packs containing 25 cigarettes were introduced to the market during this fiscal year, so a 12.5 cent stamp was designed for use on the new packages. Previously, stamps were available in 5- and 10-cent denominations only.

The cigarette tax is collected by the Board primarily through the sale of tax stamps and meter impressions. As evidence that the tax has been paid, licensed cigarette distributors must affix a tax stamp or meter impression to the bottom of each package of cigarettes before they are sold. Taxes on the distribution of sample cigarettes may be paid directly to the Board by the manufacturer.

In Hollywood, Tax Auditor Steve Lau has completed another assignment and heads back to the office.

Revenue from the cigarette tax is deposited in the State Treasury to the credit of the Cigarette Tax Fund. Thirty percent of the revenue, less administrative costs, is allocated directly to cities and counties. Distribution to the cities and counties is based on the same formulas used to allocate state-administered local sales and use taxes. During the 1983–84 fiscal year, local government's share totaled $75,752,603.

Although the cigarette tax is levied on most sales or consumption of cigarettes, there are some exemptions from the tax. Principal exemptions include sales to the exchanges and commissaries of the United States Army, Air Force, Navy, Marine Corps, Coast Guard, and Navy or Coast Guard ships' stores, to the United States Veterans Administration, and to the Veterans Canteen Service which services the Veterans Administration Hospitals.

Ernie Gabrielli (right), Supervisor of the Refund Processing Unit, instructs his successor Tax Auditor Chuck Sakamoto, on procedures. Mr. Gabrielli retired after more than 40 years service with the Board.

Total cigarette tax revenues during 1983–84 amount to $263,231,000, a decrease of 3.1 percent.

Alcoholic Beverage Tax

The Department of Alcoholic Beverage Control advises the Board of all license applications by manufacturers, wine growers, blenders, distilled spirits manufacturer's agents, rectifiers, wholesalers, importers or custom brokers. After obtaining the neces-

Business Taxes Representative Milt Nelson of the Oakland District office reviews a taxpayer's letter regarding a delinquent account.

sary security and registering the applicant to pay tax, the Board of Equalization notifies the Department of Alcoholic Beverage Control to issue the license. The Board collects the excise taxes from licensees on the alcoholic beverages that they manufacture, import, or distribute to retailers in California.

The tax on alcoholic beverages is based on gallonage and revenues are therefore not affected by inflationary trends except to the extent that consumption may be affected by price. Changes in revenue are attributable to a growing population, changes in product preference, and increasing per capita consumption. Per capita consumption of alcoholic beverages in California for 1983–84 was 24.5 gallons of beer, 4.6 gallons of wine, and 2.1 gallons of distilled spirits.

The excise taxes on distilled spirits are collected when the product is sold by a wholesaler to the retailer. The tax rates are $2 per gallon for 100 proof or less, and $4 per gallon for beverages over 100 proof. Taxes on distilled spirits for the year 1983–84 were $107,983,000, which was 78.6 percent of total alcoholic beverage taxes collected. This represents a decrease of 0.5 percent from 1982–83.

Beer and wine excise taxes are collected from beer manufacturers and vintners when the product is withdrawn from bond and the federal tax is paid or from importers when the product is imported into California. Excise taxes collected on beer at the rate of 4 cents per gallon totaled $25,017,000 which was 18.3 percent of total alcoholic beverage excise taxes. The amount collected was $974,000 greater than 1982–83.

Still wines are taxed at 1 cent per gallon if the alcohol content is 14 percent or less; the tax is 2 cents per gallon for still wines over 14 percent. Champagne and sparkling wines are taxed at 30 cents per gallon. A total of $4,344,000 in excise taxes was collected on wines during 1983–84, up 12.3 percent from the previous fiscal year. Champagne and sparkling wines accounted for 73.7 percent of the excise taxes collected on wines.

California's tax rates on alcoholic beverages are low in comparison to other states. California levies the nation's lowest tax rate on wine and the third lowest on beer. Only two states and the District of Columbia have lower tax rates on distilled spirits.

The tax rate on all wine was established at 2 cents per gallon shortly after the repeal of Prohibition. The current rate structure on still wine has been in effect since July 1, 1937, on beer since July 1, 1979, and on distilled spirits since August 16, 1967. The tax on champagne and sparkling wines was reduced from 1.5 cents per half pint (48 cents per gallon) to 30 cents per gallon on July 1, 1955.

The Board collected $137,433,000 in alcoholic beverage tax revenues in the year 1983–84. This represents a 0.9 percent increase from 1982–83.

Insurance Tax

The insurance tax is primarily a gross premiums tax levied upon premiums received from business done in California. The only exception is the tax on ocean marine insurance which is computed on underwriting profits. The insurance tax is levied against,

In the Audit Review and Refund Unit, Tax Auditor Kathy Lockhart checks a taxpayer's claim for refund of use tax.

Office Assistant Natividad Orvilla uses the registration system's new remote entry capabilities to make changes directly to the computer file.

insurance companies in lieu of all other taxes except license fees and real estate taxes. Out-of-state insurers are assessed an additional retaliatory tax if the tax rate in their state of domicile is higher than California's tax rate.

The gross premiums tax rate for calendar years 1982 through 1985 is 2.33 percent, except that premiums derived from annuities and profit sharing plans which qualify under certain sections of the Internal Revenue Codes are taxed at one-half of 1 percent.

Assembly Bill 705 (Chapter 39, Statutes of 1984) provides that if the total amount of prepayments for any calendar year exceeds the amount of annual tax for that year, the excess shall be treated as an overpayment of the annual tax, and may be credited against the first quarter prepayment of the following year.

The following table summarizes assessments by type of insurer for the last four years:

INITIAL INSURANCE TAX ASSESSMENTS
(In Thousands)

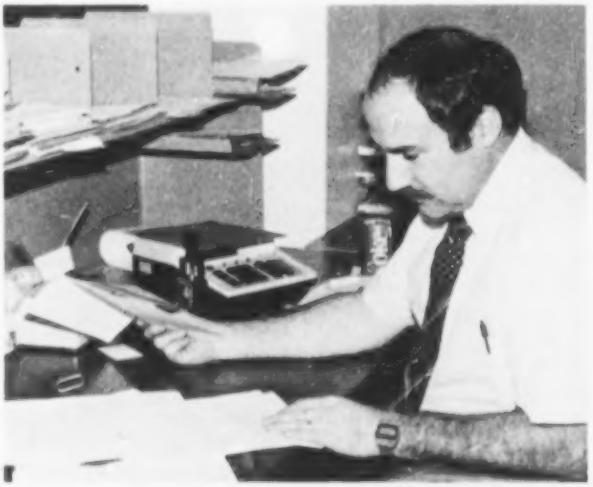
Type of Insurer	*1980*	*1981*	*1982*	*1983*	*Percent Changes 1983–84*
Fire & Casualty	$280,940	$294,894	$300,106	$327,680	+9.2
Life	156,996	167,932	181,816	200,412	+10.2
Title.....	6,398	6,493	6,103	8,588	+40.7
Ocean Marine	146	225	184	67	−63.6
Total	$444,680	$469,544	$488,209	$536,747	+9.9

Emergency Telephone Users Surcharge

The Emergency Telephone User's Surcharge Law (911 program) was enacted by the Legislature to provide funds for cities, counties, and other local government entities to implement and operate emergency telephone systems. The surcharge is imposed at the rate of one-half of 1 percent on the charges for intrastate telephone communication services. Every telephone service supplier is required to collect the surcharge from the service user at the same time billings for services are collected. Currently, 67 service suppliers are registered with the Board of Equalization and are required to remit quarterly to the Board the surcharge they have collected.

The State Department of General Services establishes minimum technical and operational standards for the 911 system, provides consultation services, and approves and recommends the funding necessary to implement and operate each system. The Department must determine annually the rate it estimates will produce sufficient revenue to fund the 911 program. The Department notifies the Board if a new rate is required because it is the Board's responsibility to fix the new rate and notify the telephone companies accordingly. The rate may not be less than one-half of 1 percent and not more than three-quarters of 1 percent.

The Legislature has mandated that by December 31, 1985, a statewide 911 emergency telephone assistance program is to be fully operational. After that date a person requiring police, fire, medical, or rescue assistance should be able to dial 911 from anywhere within California to receive help. Pay phones will not require the use of a coin to dial the 911 emergency number. Of the 364 systems contemplat-



In the Collection Unit, Business Taxes Compliance Specialist Doug Shepherd reviews daily bankruptcy notices supplied by the bankruptcy court. The Board will place a claim on delinquent taxpayers who file for bankruptcy.

In the Oakland District, Office Assistants Jeannette Escote (left) and Dolores Bolden maintain a followup file on taxpayer billings.

ed, 243 were in operation by July 1, 1984. It is estimated that 116 additional systems will become operative during the 1984–85 fiscal year.

By the end of the 1983–84 fiscal year, it is projected that 911 emergency telephone systems will be in operation in all or part of 38 California counties. The state's largest 911 system began service in Los Angeles County in early 1984. Other major metropolitan areas in which new systems were activated during the 1983–84 fiscal year were Sacramento, Riverside, and San Bernardino.

Surcharge revenue collected during fiscal year 1983–84 totaled $25,356,000. This was a 10.0 percent increase over the previous fiscal year.

Moore Universal Telephone Service Act

The Board of Equalization was assigned responsibility for administration of another tax program with the passage of the Moore Universal Telephone Service Act during the past fiscal year.

Assembly Bill 1348 (Chapter 1143, Statutes of 1983) was approved by the Governor on September 27, 1983 and became effective immediately. This bill established a tax on intrastate telecommunications services which will be used to provide telephone service to those who would otherwise be unable to afford it. Through this act the Legislature has declared that communication by telephone is a basic necessity in modern society and must be made available to all Californians at reasonable cost for basic minimum use.

The California Public Utilities Commission has been directed by the Legislature to design a class of universal telephone service necessary to meet minimum residential communications needs. The service will allow access by the elderly, the handicapped, the infirm, and low-income persons to telephone service for emergency communications with public agencies and private medical services and for maintaining necessary social contacts.

The new tax is imposed upon each telephone service supplier in the state, measured by the gross revenues received from intrastate telecommunications service provided on or after July 1, 1984. The tax rate is determined annually by the Public Utilities Commission on or before May 1, and may not exceed 4 percent of the gross revenues received by a service supplier. The Public Utilities Commission has set the rate for the first fiscal year commencing on July 1, 1984 at 4 percent and has ruled that the tax will apply only to service suppliers providing intrastate telecommunication services among the state's ten LATAs (Local Access Transport Areas). Telephone service suppliers operating only within a single LATA will not be subject to the tax.

Proceeds from the tax will be redistributed by the State Controller to the local telephone companies in an effort to defray the costs of providing universal telephone service.

Warehouse Worker Rene Silvas transports boxes of closed out taxpayer account files to the State Records Center for eventual destruction. The headquarters Central Files Unit schedules about 125 boxes of obsolete files for destruction each month.

Inglewood District Administrator Robert Petersen (right) and Compliance Principal Alan Stagner review proposed space plans at a new office location.

Energy Resources Surcharge Law

The energy resources surcharge is collected from consumers of electrical energy and paid to the Board by the 51 electric utilities operating in California. There are also 22 public institutions, water districts, and irrigation districts which remit the surcharge for electrical energy they purchase directly from the federal government for their own consumption.

The Energy Resources Surcharge Law was enacted, effective January 1, 1975, to fund the activities of the State Energy Commission, whose purpose is to (1) provide for forecasting and assessment of energy demands and supplies and for conservation of energy resources by designated methods; (2) require that power sites and facilities be certified by the Commission; (3) develop and coordinate a program of research and development in energy supply, consumption and conservation, and the technology of siting facilities; and (4) provide for development of contingency plans to deal with possible shortages of electrical energy or fuel supplies.

Word Processing Technician Frances Anderson prints refund schedules from data prepared by the Audit Review and Refund Unit. This information will be used by the State Controller in preparing refund checks.

The Board in the past was required to set the surcharge rate by February 1 of each year for application during billing periods starting on or after March 1. The rate was set at a value estimated to produce sufficient revenues to fund the expenditures authorized in the Governor's budget for state energy resources conservation and development. However, Senate Bill 1399 (Chapter 1067, Statutes of 1983) established a permanent surcharge rate of two-tenths of a mill per kilowatt hour, effective July 1, 1983. The bill also repealed as of July 1, 1983, those provisions of the Energy Surcharge Law which relate to the Board's periodic establishment of the rate.

Surcharge collections during fiscal year 1983–84 were $32,131,000, an increase of 4.6 percent from the previous fiscal year.

In the Excise Tax Unit, Office Assistant Shelly Davis works at a new UTS-30 computer terminal which will prepare taxpayer correspondence concerning the Electrical Energy Surcharge.

Hazardous Waste Tax

The hazardous waste tax (or fee) is imposed on operators of hazardous waste dump sites and upon persons who dispose of hazardous wastes on property owned or controlled by them. Each site is required to be registered with the Board and report on the quantities of hazardous waste disposed of monthly at that facility.

The tax rate was $4 per ton for the 1982–83 fiscal year. Effective July 1, 1983, hazardous waste disposals must be reported in two categories with different rates. The "restricted" hazardous waste category is taxed at a rate of $18 per ton. A rate of $6.40 per ton is applicable to all other hazardous wastes not in the restricted category.

Business Taxes Representative Kenneth Ruxton of the Fresno office reviews a taxpayer's file before making a telephone contact.

In the San Bernardino office, Tax Auditor David Pidal discusses a training assignment with newly hired Tax Auditor Kathleen Bray.

The total amount collected during the 1983–84 fiscal year was $11,023,000. These funds were deposited in the State Treasury to the credit of the Hazardous Waste Control Account in the general fund. The money is used to support the Hazardous Waste Management branch administered by the Department of Health Services.

Hazardous Substance Tax

The hazardous substance tax, generally known as the state superfund tax, is imposed on the generators of hazardous wastes who dispose of the substances in California. Each generator is required to register with the Board and file an annual report by March 1 detailing the hazardous wastes disposed of in the preceding calendar year.

The report must show the total tonnage of hazardous waste disposals in each of four categories based on the nature of the substance. A recapitulation of the data reported is made by the Board and a certification of the total hazardous waste disposed of in each category must be made to the Governor by April 15.

Data from the annual hazardous waste disposal reports are used by the Board to compute the basic tax rate using the formula prescribed by law. Tax assessments are determined by applying the tax rate to quantities of wastes reported to produce the $10 million superfund. The assessments are made on May 1 and must be paid by July 1. The monies are deposited in the general fund and credited to the Hazardous Substance Account. The funds are matched by the United States Government and used for cleanup of spills and abandoned dumpsites.

AB 1806 (Chapter 1155) effective September 25, 1983, provided for the reassessment of the annual tax if collections in a particular year were less than the maximum amount allowable. Errors in reporting tonnage by some generators for calendar year 1982 resulted in a shortfall in tax collections for the 1983–84 fiscal year. This necessitated a reassessment of the tax to obtain the maximum amount of revenue allowable for that period.

Other legislation enacted during 1983–84 provided exemptions from the hazardous substance tax for local vector control agencies, county agricultural commissioners, and entities which generate 500 pounds or less.

Audit program activity increased during the 1983–84 fiscal year. Auditors operating out of the Sacramento headquarters made numerous field audits and investigations throughout the state, resulting in the discovery of many unlicensed taxpayers and substantial underpayments of tax. The Board staff works closely with Department of Health Services and Regional Water Quality Control Board personnel in coordinating and developing data to administer these programs.

Business Taxes Representative Richard Martin turns in to Fresno District Cashier Desiree Frey the collections made in the field that day.

Business Taxes Legislation

Following is a brief summary of the bills enacted during the first half of the 1983–84 legislative session which are of significance to the Board's business taxes operations. The bill number, chapter number, and effective date of each bill are shown in the summaries that follow.

Assembly Bill 99—Chapter 155—June 30, 1983

State Tax Liens May Be Attached to Homestead Dwelling

This bill amended Section 7170 of the Government Code to provide that a state tax lien attaches to a dwelling notwithstanding the prior recording of a homestead declaration.

Assembly Bill 116—Chapter 783—January 1, 1984

Transfer of Assets by Nonprofit Hospital Service Plans Not Subject to State or Local Taxes

This bill amended Section 11493.5 of the Insurance Code to prohibit the imposition of state or local taxes —other than taxes on real estate and office equipment—on the transfer of tangible assets from a nonprofit hospital service plan to another nonprofit hospital service plan, licensed on or after July 1, 1982 under Chapter 11a of Part 2 of Division 2 of the Insurance Code, provided the transfer was concluded before January 1, 1983. This provision does not constitute a change in, but is declaratory of, existing law.

Assembly Bill 223—Chapter 323—July 21, 1983

Interest On Sales and Use Tax Liabilities Must Be Compounded Daily

Section 19269 of the Revenue and Taxation Code was amended effective July 1, 1983, to provide that interest must be compounded daily on the total of the sales or use tax, interest, and penalty. This amendment supersedes the amendment to Section 19269 in Assembly Bill 28X.

Vending Machine Food Sales Are Subject to Sales Tax

Section 6359 of the Sales and Use Tax Law was amended, effective August 1, 1983, to provide that the sale of food products through vending machines is subject to sales tax based on their selling price. Section 6359.2, which provided a partial exemption for the sale of cold food products through vending machines, was repealed. The provision in Section 6359.4 that an operator is a consumer of tangible personal property which he or she sells through a vending machine for 15 cents or less, was also repealed. However, Section 6359.45 was added to provide that a nonprofit, charitable, or education organization is a consumer of tangible personal property which it sells through vending machines for 15 cents or less, and therefore, that property is not subject to sales tax.

Sales and Use Tax Imposed on Lease of Video Cassettes

Effective September 1, 1983, this bill amended Sections 6006 and 6010 of the Sales and Use Tax Law to impose a sales and use tax on the lease of video cassettes, videotapes, and videodiscs. Unlike most other lease transactions, the lessor of video cassettes, tapes, and discs has no option other than to pay tax on rental receipts regardless of whether the lessor has paid tax on the purchase price of the leased property.

Tax Auditor Jim Soo Hoo of the Hollywood District takes a short cut through the Civic Center on his way to a long discussion with a major taxpayer.

Fuel Tax Return Due Date Accelerated

Effective August 1, 1983, Section 7651 of the Motor Vehicle Fuel License Tax Law and Section 8751 of the Use Fuel Tax Law were amended to accelerate the due dates of the motor vehicle fuel tax returns to the 15th day of the month following the month to which the returns relate.

Assembly Bill 399 was subsequently enacted and amended, moving the due date on motor vehicle fuel returns to the 25th of the month and clarifying some provisions of AB 223. Where this has occurred, Assembly Bill 399 is controlling since it is the later chaptered bill.

Assembly Bill 304—Chapter 205—July 13, 1983
Collection of Hazardous Wastes by Local Health Officers Exempt from Hazardous Waste Tax

This bill amended Section 25345.5 of the Health and Safety Code to exempt from the hazardous waste tax all hazardous wastes collected by local health officers or county agricultural commissioners resulting from voluntary collection programs provided the total quantities collected are 1,000 kilograms or less. In this circumstance, the local health officer and county agricultural commissioner are also exempt from reporting to the Board the amount of hazardous wastes which they disposed of or submitted for disposal in this state.

In the Downey District Office, Tax Auditor Jaime Tricerri uses a video terminal to verify a seller's permit number.

With the Chicago skyline visible in the background, Area Administrator Patrick Donohue and Audit Control Clerk Patricia Coleman go over the audit selection book for the new year.

Disposal of Hazardous Wastes by Local Control Agencies Exempt from Hazardous Waste Tax

This bill also provides that hazardous wastes generated or disposed of by local vector control agencies or county agricultural commissioners are exempt from the tax if the hazardous wastes are the result of their control activities and they comply with the requirements of the Health and Safety Code with respect to hazardous waste control.

Assembly Bill 336—Chapter 46—January 1, 1984
Fuel Tax Refunds for Consolidated Transportation Agencies Clarified

This bill amended Section 8101.6 of the Motor Vehicle Fuel License Tax Law to clarify that a refund of 6 cents of the tax imposed upon each gallon of motor vehicle fuel used applies to any nonprofit corporation designated as a consolidated transportation service agency. An example of this type of agency is a paratransit operator.

This provision is declaratory of existing law.

Assembly Bill 399—Chapter 1102—September 27, 1983
Vending Machine Operators Obligated Under Fixed Contracts May Report Sales Tax Under Terms of Original Contract

Effective August 1, 1983, vending machine operators who are obligated pursuant to a fixed term or fixed price contract entered into prior to July 21, 1983 may continue to report their sales or use tax liability

In the Covina-Foothills office, Cashier Janice Sweet (left) and Office Assistant Josie Briones balance out the register at the end of the day.

for the remaining term of their contract pursuant to the provisions of Section 6350.2 or Section 6359.4 as they existed on July 20, 1983.

Application of Sales Tax to Video Cassette Rentals Clarified

Effective September 1, 1983, this bill amended Sections 6006 and 6010 of the Sales and Use Tax Law to clarify that the sales or use tax applies to rental receipts derived from the lease of video cassettes, videotapes, and videodiscs only when such property is leased for private noncommercial use in which the lessee does not obtain the right to license, broadcast, exhibit, or reproduce the video cassette, videotape, or videodisc.

Fuel Tax Return and Prepayment Due Dates Changed

Effective November 1, 1983, Sections 7651 and 7652 of the Motor Vehicle Fuel License Tax Law and Sections 8751 and 8752 of the Use Fuel Tax Law were amended to change the due date of the motor vehicle fuel tax returns to the 25th day of the month following the month to which the return relates. Also, Article 1.1 commencing with Section 7659 was added to the Motor Vehicle Fuel License Tax Law to require distributors whose estimated tax liability averages $900,000 or more per month to prepay 95 percent of such liability on the 15th day of the month following the month to which the prepayment applies. Additionally, Article 1.1 commencing with Section 8756 was added to the Use Fuel Tax Law to require users and vendors of diesel fuel whose tax liability averages $2,000 or more per month to prepay 95 percent of such liability on the 15th day of the month following the month to which the prepayment applies.

AB 705—Chapter 39—March 19, 1984
Overpayments of Insurance Tax May Be Credited to Next Year's Tax Liability

This bill authorizes any insurer who has made an overpayment of insurance tax to elect to have the excess credited against the first prepayment of the following year.

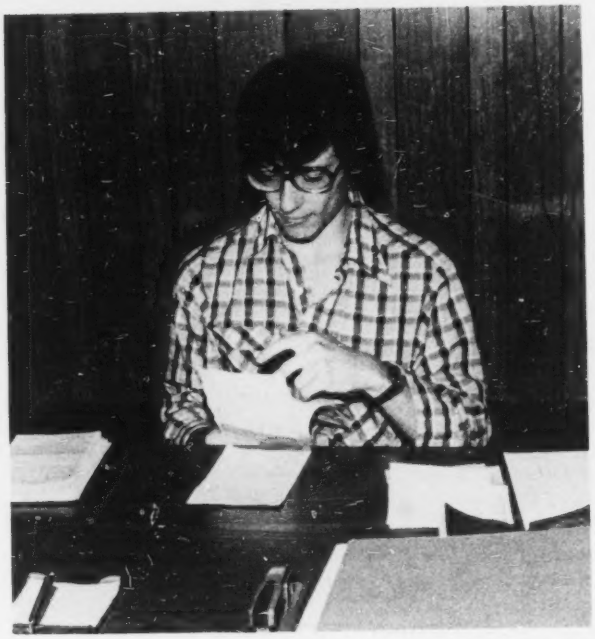
Assembly Bill 860—Chapter 1044—September 23, 1983
Formula for Computing Hazardous Substance Tax Revised

This bill amended Section 25345 of the Health and Safety Code to revise the formula for computing the Annual Hazardous Substance Tax. This bill excludes from the existing unobligated balance in the Hazardous Substance Account any interest accruing from funds deposited in the site operation and maintenance account and any funds received for removal and remedial action concerning hazardous wastes at specific sites. Effective September 23, 1983, this amendment supersedes the provisions of the same section as amended by Assembly Bill 110.

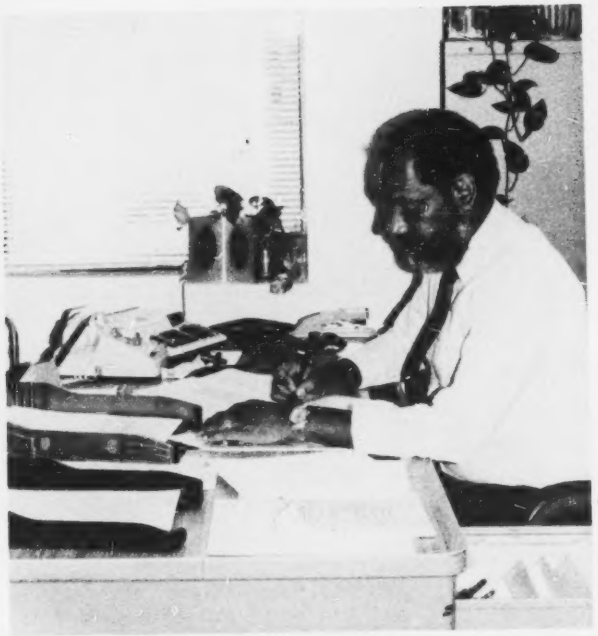
Assembly Bill 899—Chapter 17—March 1, 1984
Reinstatement of Local Sales and Use Tax and Transit Tax Exemption For Watercraft

This bill reinstated the exemption for the sale of tangible personal property used in the operation of

In the Ontario office, Business Taxes Administrator William Pitts reviews the revocation of a delinquent taxpayer's seller's permit.



In the Occasional Sales Unit, Office Assistant Ron Pach reviews Department of Motor Vehicles certifications of purchase price on auto registrations.



In the Collection Department of the Arcadia District office, Business Taxes Representative David Maxwell reviews a delinquent account.

waterborne vessels for commercial purposes from the local sales and use tax and the transactions (sales) and use tax.

Thus, from January 1, 1984, through February 29, 1984, tax applies to the sale of tangible personal property for use in the operation of waterborne vessels for commercial purposes. On and after March 1, 1984, if the sale of such tangible personal property is subject to the state sales and use tax, the receipts are exempt from the local sales and use tax and transactions (sales) and use tax.

This exemption will expire on January 1, 1986, unless the Legislature enacts a bill to extend such exemption.

Assembly Bill 1015—Chapter 1037—September 22, 1983

Disposal of 500 Pounds or Less of Hazardous Waste Excluded from Reporting Requirements

This bill amended Section 25342 of the Health and Safety Code to exclude from reporting requirements persons who dispose of 500 pounds or less of hazardous waste during the previous calendar year which are disposed of in an onsite or offsite facility. This amendment supersedes on the effective date of this bill the provisions of the same section as amended by Assembly Bill 110.

Assembly Bill 1133—Chapter 184—January 11, 1983

A Person Is Defined as a "Seller" for Sales Tax Purposes if the Property Sold Is Suitable for Sale at Retail

This bill amended Section 6014 of the Sales and Use Tax Law to clarify that a person is a seller with respect to the final sale of business if the type of property sold during the regular course of business would be subject to the sales tax if sold at retail, regardless of whether the property is sold at retail or is suitable for sale at retail.

Assembly Bill 1135—Chapter 337—January 1, 1984

Fungible Goods for Self-Use Are Not Subject to Sales Tax

This bill amended Sections 6095 and 6245 of the Sales and Use Tax Law to clarify that merchandise withdrawn for self-use from commingled fungible goods is considered to be taken from stocks of goods purchased tax-paid to the extent that such stock is available. This bill applies, for example, to goods such as oil or grain which, when stored together, cannot be separated as to which quantities were purchased tax-paid or ex-tax. Under the provisions of this bill, the amount withdrawn for personal use is presumed to be purchased tax-paid until the amount withdrawn equals the tax-paid amount purchased.

Transit Districts to Hold Board Harmless If Transit Tax Ordinances Are Ruled Invalid

This bill also amended Section 7270 of the Transactions (Sales) and Use Tax Law to require transit districts to reimburse for, and hold the Board harmless from, any and all costs, losses, or refunds if the courts held that the ordinance imposing the transit tax is unconstitutional or invalid. This bill also amended Section 7272 to increase the preparatory costs for administering a transit tax ordinance to $175,000.

Additionally, this bill makes technical changes to Sections 6453, 6477 and 6487 of the Sales and Use Tax Law.

Assembly Bill 1279—Chapter 1142—January 1, 1984

Intrastate Telecommunications Service Taxable Under Universal Telephone Service Act

This bill added Section 44009 to the Universal Telephone Service Act to impose the tax on any intrastate telecommunications service provided by a cable television system where the point of origin and the point of destination are located within this state.

Assembly Bill 1348—Chapter 1143—September 28, 1983

Creation of California Universal Telephone Service Act

This bill added Part 22 commencing with Section 44000 to Division 2 of the Revenue and Taxation Code to create the California Universal Telephone Service Act which imposes an excise tax at the rate not exceeding 4 percent of gross revenues received by telephone corporations for intrastate telecommunications services provided on and after July 1, 1984. The tax revenue is to be spent for the purpose of instituting universal telephone service for eligible low and moderate income persons who might otherwise be unable to afford basic minimum telephone service. The Board is required to administer the provisions of this bill.

The California Universal Telephone Service Act will become inoperative on July 1, 1988 and is repealed on January 1, 1989 unless statutorily extended on July 1, 1988.

Assembly Bill 1485—Chapter 1092—September 27, 1983

Fines Increased Under Several Tax Laws

This bill amended Sections 6073 and 7151 of the Sales and Use Tax Law, Sections 9351 and 9352 of the Use Fuel Tax Law, Section 12832 of the Tax on Insurers, Sections 30471 and 30474 of the Cigarette Tax Law, and Sections 32554 and 32555 of the Alcoholic Beverage Tax Law concerning the amount of fines imposed on any person who is guilty of misdemeanor

In the Account Reference Unit's Information Section, Office Assistant Paula Wellner provides account numbers, business addresses and other public information over the telephone.

Program Technician Helen Croessmann of the Return Review Unit uses a video terminal to check a taxpayer's accounts receivable status.

or felony, by increasing the amount of such fines by two times what is currently imposed.

Assembly Bill 1575—Chapter 576—July 28, 1983

Auctioneer Must Hold Seller's Permit for Sales and Use Tax Purposes

This bill amended Section 5734 of the Business and Professions Code to require the applicant seeking a license as an auctioneer to show proof that the applicant, or his or her employer, holds a valid seller's permit issued by the Board, if applicable.

Assembly Bill 1673—Chapter 1286—January 1, 1984

Vehicle Sales by Remanufacturers Are Subject to Sales Tax

This bill amended Sections 6282, 6283, 6292, and 6293 of the Sales and Use Tax Law to include remanufacturers within its provisions. Consequently, the sale of vehicles at retail by remanufacturers is subject to the sales tax.

This bill also amended Sections 6388 and 6388.5 to provide that the sale or use of a remanufactured truck, truck-tractor, semitrailer, trailer, trailer coach, or auxiliary dolly may be exempt from the sales or use tax under certain circumstances.

Tax Auditor Martha Garcia (right) gives new Auditor Elsa Morena an orientation to the Hollywood District.

Assembly Bill 1806—Chapter 1155—September 25, 1983

Recalculation of Hazardous Waste Taxes

This bill added Section 25347.5 to the Health and Safety Code to require the Board to notify the Director of Health Services when the total amount of hazardous waste taxes to be collected is less than the maximum amount. In such instances, the director is required to request the Board, and the Board is required to recalculate the tax rate and reassess the tax for the purpose of collecting the maximum amount for that year, provided the director finds that the reassessment is cost-effective.

Reassessed Hazardous Substance Taxes Must Be Paid Within 30 Days

This bill also added Section 43152.5 to the Hazardous Substance Tax Law to require taxpayers to remit to the Board any taxes reassessed pursuant to Section 25347.5 of the Health and Safety Code within 30 days after the date of assessment.

Assembly Bill 1879—Chapter 1158—September 28, 1983

Certain Gold Medallions May Be Exempt from Sales and Use Tax

This bill amended Section 6355 of the Sales and Use Tax Law to provide that the sales of gold medallions struck under authority of the American Arts Gold Medallion Act (Title IV of Public Law 95-630) is a sale of monetized bullion. Accordingly, a sale in bulk of such gold medallions is exempt from the sales or use tax.

Assembly Bill 1903—Chapter 844—September 16, 1983

Computation of Rehandling and Restocking Costs of Returned Merchandise for Sales Tax Reporting Purposes

This bill amended Sections 6011 and 6012 of the Sales and Use Tax Law to provide that when a purchaser returns merchandise for refund or credit, the amount withheld by the seller for rehandling and restocking costs may be a percentage of the sales price determined by the average cost of rehandling and restocking returned merchandise during the previous accounting cycle (generally one year).

Assembly Bill 1943—Chapter 1050—September 26, 1983

Sales Tax Exemption for Cargo Containers Extended

This bill amended Section 6388.6 of the Sales and Use Tax Law to extend the exemption provided for the sale and use of cargo containers for use exclusively in interstate commerce or used exclusively outside this state provided other requirements were met. The exemption will expire on January 1, 1994 unless statutorily extended prior to the expiration date.

Assembly Bill 1997—Chapter 605—August 31, 1983

Sales Tax Does Not Apply to Clothing Alterations by Cleaning Shops

This bill added Section 6018.6 to the Sales and Use Tax Law to provide that an operator of a state-licensed clothes cleaning or clothes dyeing establishment is a consumer of property used or furnished in altering new or used clothing provided his or her gross receipts from alteration of clothing during the preceding calendar year are no more than 20 percent of his or her total gross receipts for that year. Accordingly, if this criterion is met, sales tax does not apply to charges for alteration of new clothing.

Program Technician Lisa Ralyea notes a change of business address in the San Diego District files.

In the Petitions Unit, Tax Auditor Dick Smith writes a summary of a taxpayer's petition which will be used at a hearing before the Board.

Assembly Concurrent Resolution 36—Resolution Chapter 76—July 21, 1983

State Agencies Are Directed to Share Taxpayer Information

This bill directs all state agencies to provide available information regarding individual entities or taxpayers to the revenue agencies of this state and to share information with each other, so that the effectiveness and efficiency of the state's revenue collection efforts may be increased. This information must be provided in a manner which does not violate legal rights to confidentiality or privacy.

Senate Bill 80—Chapter 1000—January 1, 1984

Use Fuel Tax Penalties Imposed

This bill amended Section 8701 of the Use Fuel Tax Law to impose a penalty of $500 against any person who uses diesel fuel in this state which was not acquired from a vendor with a use fuel tax permit or who uses diesel fuel without a valid use fuel tax permit. This bill requires the penalty to be a lien against the vehicle operated by such person, and such vehicle may be impounded until the penalty and any impounding or storage costs are paid.

Use Fuel Tax Trip Permits Authorized

This bill also added Section 8708 to the Use Fuel Tax Law to provide that the Board may authorize the issuance of use fuel trip permits at a cost of $30 per permit, which would be in lieu of a regular use fuel tax permit, to holders of trip permits issued by the Department of Motor Vehicles. The use fuel trip permit is valid for the same period as the trip permit issued by DMV, which is four consecutive days.

Senate Bill 693—Chapter 1320—January 1, 1984

Orange County Transportation Commission Authorized to Impose Tax

This bill will amend Section 7252 of the Transactions and Use Tax Law to include the Orange County Transportation Commission within the definition of a "district" which is authorized to impose transaction and use tax, if the electors of the County of Orange approve the measure to impose transit tax.

Senate Bill 1030—Chapter 1321—October 1, 1983

Partial Sales Tax Exemption for Gasohol May Be Extended

This bill amended Section 6357.5 of the Sales and Use Tax Law to extend to January 1, 1987 the partial exemption of 3 cents per gallon provided for the sale or use of gasohol.

Gasohol Exemption Expired June 30, 1984

This bill also provides that unless full reimbursement is made or alternate funding is provided to the Transportation, Planning, and Development Account on or before June 30, 1984, the partial exemption for gasohol will become inoperative on June 30, 1984. No reimbursement or alternate funding was provided in the 1984–85 budget, and consequently the partial exemption for gasohol expired June 30, 1984.

Senate Bill 1031—Chapter 1059—January 1, 1984

Sales Tax Exemption for Still Gas Enacted

This bill amended Section 6358.1 of the Sales and Use Tax Law to exempt from the sales and use tax the sale and use of still gas produced in the refining process from purchased crude oil. It also removes the requirement that the alternate fuel sources identified in subdivision (b) be delivered in bulk.

This amendment does not constitute a change in, but is declaratory of, existing law.

Senate Bill 1185—Chapter 1076—January 1, 1984

Resale of Used Manufactured Homes Exempted from Use Tax

This bill amended Section 18116.5 of the Health and Safety Code to provide that used manufactured homes subject to local property taxation are exempt from the use tax upon resale or transfer. This bill merely conforms the provision of the Health and Safety Code to the federal statutes which include mobilehomes in the definition of manufactured homes.

Senate Bill 1325—Chapter 512—July 7, 1984

Penalties for Misuse of a Seller's Permit Increased

This bill provides that a person who misuses a seller's permit may be liable for either a 10 percent penalty or $500, whichever is greater, for each purchase made for personal gain or to evade the payment of sales and use taxes.

Use Fuel Penalties Cancelled

This bill cancels penalties against persons who failed to obtain the required use fuel tax permits during the period January 1 through August 16, 1984 and provides for the refund of penalties paid. Penalties remain in effect after August 16, 1984. The bill also increases to 7,000 pounds the maximum unladen weight of commercial vehicles which are exempt from the use fuel permit requirement.

Senate Bill 1399—Chapter 1067—January 1, 1983

Fixed Rate Established Under Energy Resources Surcharge Law

This bill established a fixed surcharge rate under the Energy Resources Surcharge Law, on and after July 1, 1983, as the rate fixed by the Board which is in effect on that date. This act also repealed the provisions as of July 1, 1983 relating to the periodic establishment of such rate by the Board.

VI. ECONOMIC ANALYSIS

Economic Summary

Expansive pressures propelled all segments of the economy into a strong recovery during the 1983–84 fiscal year. Gross national product, employment, personal income, industrial production, new car sales, housing starts, retail sales, and other indexes moved upward.

The real, inflation-adjusted, gross national product (GNP) advanced more rapidly than it had since 1955. The current fiscal year's seasonally-adjusted annual rate of 6.4 percent compares to 6.7 percent in 1955. GNP is the broadest measure of the total value of goods and services produced for use at home and abroad.

The fourth-quarter 1983 growth in GNP of 5.0 percent was fueled by both consumer spending and capital investment. The strongest growth during the fiscal year occurred in the first quarter of 1984 when 10.1 percent was recorded. Sharp acceleration in replenishing business inventories accounted for half of this increase. However, there was growth in all sectors of the economy—private consumption, business investment, and government spending. The strength of the dollar made imports a bargain. Much of the increase in consumer spending was on foreign goods which contributed to deterioration in the nation's balance of trade. Expansion was so rapid that it raised fears of overheating the economy and bringing back double-digit inflation. The slower pace of 7.6 percent in the second quarter of 1984 put any fears to rest. The slowdown was a welcome sign that the economy was decelerating to a rate of growth that could be sustained.

Economic growth in the first six quarters of the current recovery was the strongest since the recovery that began in 1949. Part of the strength of recovery reflects the depth of the 1981–82 recession. Lower inflation has also strengthened consumer and business confidence in the economy. In the eyes of many economists, a most important factor in strengthening the economy in the short run is the government's huge budget deficit. Together with this are the income tax cuts enacted in 1981 which have given consumers more money to spend and businesses more to invest in new plants and equipment. The cumulative impact has created a fiscal stimulus without precedent.

The national index of Leading Economic Indicators (LEI) advanced consistently for 21 months, the longest succession of such increases since World War II. The index rose from 136.1 in August 1982 to 168.9 in May 1984 (1967 = 100). The index for California followed a similar course but it peaked a month earlier in April. This index, which is used to predict upturns and downturns of the economy several months in advance, includes measures of employment, production, consumption, and investment that are sensitive to change. The LEI dropped 1.3 percent in June and 0.8 percent in July, the first back-to-back decline since the bottom of the recession nearly two years ago.

The signals indicate that exuberant economic growth is leveling off to more sustainable levels. A combination of statistics such as the rate of unemployment and the level of personal income seems to indicate a continuation of economic growth. A slowing in overall economic expansion may be desirable because it can ease pressures on inflation and interest rates and improve the chances that economic recovery will continue.

Consumers were in a buoyant mood as the fiscal year got under way. The Index of Consumer Sentiment (compiled monthly by the University of Michigan) had reached 93.9 in July 1983, its highest level since 1972. Subsequently, it topped out at 101.0 in March 1984 (1966 = 100). This series is designed to tap consumer attitudes and expectations relative to the economy in general and their viewpoint on the climate for purchasing big ticket items in particular.

Program Technician Angela Parker helps the owner of a new business fill out an application for a seller's permit in the Inglewood District office. All businesses registered with the Board are categorized with codes which enable the Board to measure taxable sales activity by location and type of business. This information is used for revenue forecasting and planning purposes.

Personal income of Californians, which includes wages, salaries, rent receipts, stock dividends and interest, minus Social Security contributions, advanced a strong 12.6 percent during the fiscal year, reaching an annual seasonally-adjusted rate estimated at $370.6 billion.

Employment growth in the current expansion has been faster than in any similar period in the past 30 years. This factor has had a dramatic impact on the unemployment rate. California's unemployment rate has been cut by 3.5 percentage points from 11.0 percent in December 1982 to 7.5 percent in June of 1984. The total of 11,726,000 civilian jobholders in the state in June 1984 was 557,000 more than a year earlier. The largest relative gain was posted for the construction industry which increased by 11.1 percent to total 408,400. The largest numerical increase was made by retail trade, 125,700 or 7.3 percent, bringing their employees to 1,847,600. The service industry ranked next with an increase of 97,500 or 4.1 percent, swelling their numbers to 2,457,200 as the fiscal year closed. Although jobs were being created or restored at a fairly brisk pace, part of the improvement in the unemployment rate was due to slower growth in the labor force. The civilian labor force in the state numbering 12,683,000 in June increased by 246,000 or 2.0 percent during the fiscal year while the number employed (11,726,000) climbed by 557,000 or 5.0 percent. Unemployment was reduced by 311,000 to make the significant decrease of 3.5 percentage points in the rate of unemployment.

Key economic indicators have been rated on their usefulness. The most reliable series include employment, the Consumer Price Index, housing starts, new car sales, and weekly unemployment claims. Indices that understate economic activity include the real GNP, industrial production, personal income, the savings rate, utilization of industrial capacity, and worker productivity. Numbers judged to be unreliable are the money supply, retail sales, inventories, and orders for durable goods.

GNP is understated to a considerable extent by a sizeable underground economy which cuts across a number of statistics causing employment, personal income, and savings to be understated. Furthermore, GNP is based on data from major industries of the 1930s when the indicator was devised. The coding system used to compute the GNP has become far out of date, exaggerating, for example, the importance of the declining auto and steel industries while giving the electronics industry too little weight. Industries such as computers did not exist when the system was adopted, and no separate classification has been created for the computer industry which is commingled with electrical and electronic equipment of all types.

In the Hollywood District, Business Taxes Representative Edward Toussaint (right) explains the posting of use fuel trip permits on out-of-state trucks to Business Taxes Representatives Allan Widmeyer and Cordie Willingham. California's diesel fuel distributions for highway use totaled 11.4 billion gallons in 1983-84, up 13.5 percent from the previous fiscal year.

Petroleum Industry Activity

The status of the petroleum industry was complicated by several developments during the fiscal year. The demand for gasoline edged downward for several years before it turned around during 1983. The petroleum market was deteriorating and prices were fragmented when the oil ministers of the Oil Producing and Exporting Countries (OPEC) convened in London in March 1983. There, at last, they agreed upon individual production quotas and prices for each member nation. The aggregate daily production was limited to 17.5 million barrels of oil. The official price of OPEC's benchmark oil, Saudi Arabia's light crude, was set at $29 a barrel, $5 less than it had been. The strategy seemed to work because retail prices of gasoline and diesel fuel stabilized and then began to move upward.

During July 1983, OPEC's oil ministers met in Helsinki. Here they simply affirmed the official price of $29 a barrel as well as the quotas set at their March meeting. Nigeria, however, was cautioned about alleged violations. Despite the constant official OPEC price for crude oil, as the summer wore on the price of gasoline was reduced by several cents per gallon.

In early December 1983 OPEC's oil ministers convened in Geneva and again reaffirmed prices and quotas set in March. Worldwide demand, however, remained level. Conservation measures and alternative sources of energy combined to curtail consumption of petroleum. Despite the manipulations of OPEC, world demand for petroleum remained flat and inventories began building up.

The U.S. stockpile of gasoline was enlarged during the winter of 1983–84 by the increased production of fuel oil. Gasoline and fuel oil are products of the same manufacturing process, so an increase in one produces a greater quantity of the other. Gasoline prices were pushed upward early in the spring, but at the approach of summer—the traditional season for higher prices—prices dropped sharply.

Renewal of the four-year conflict between Iraq and Iran in the spring of 1984 disrupted production facilities and supply lines. Both countries shelled loaded tankers in the Persian Gulf. Saudi Arabia intervened by shooting down Iranian fighter planes. To induce tankers into the war area of the Persian Gulf, discounts of $3 or more per barrel have been offered to offset the shippers' higher costs for insurance. As production in Iraq and Iran dropped off sharply, other members of OPEC, principally Saudi Arabia, stepped up production in order to maintain OPEC's established ceiling of 17.5 million barrels a day. This practice and other quota violations resulted in over-production of as much as a million barrels a day. OPEC members have been violating both prices and quotas which they had agreed upon in March 1983.

In this atmosphere OPEC oil ministers met in Vienna in early July. Nigeria pressed for a higher quota while Iran pushed to raise the base price. In the end the official price of $29 a barrel was confirmed and quotas were unchanged except for Nigeria which was allowed to increase production by 150,000 barrels a day starting in September. The cartel maintained the ceiling of 17.5 million barrels a day as the Saudis agreed to cut back by the amount of Nigeria's increase. OPEC hoped that economic recovery throughout the world would gain momentum and absorb the mounting surplus of crude oil.

Inglewood District Tax Compliance Specialist Bob Thompson inventories a seizure of unstamped cigarettes from a local seller. The cigarette tax, 10 cents per pack in California, yielded $263.2 million in 1983–84.

In other developments, the shape of the petroleum industry is being changed through corporate mergers. Mesa Petroleum Company in March made what was regarded as an unfriendly offer on the Gulf Oil Corporation. Being in a vulnerable position for a takeover, Gulf solicited other bids. The highest bid was made by Standard Oil of California which pledged $13.2 billion to acquire Gulf. Earlier in the year Texaco Incorporated had acquired the Getty Oil Company for $10.3 billion.

Business Taxes Representatives Cordie Willingham (right) and Allan Widmeyer contact a taxpayer in the Hollywood District. Revenue from all state and local sales and use taxes was up 13.6 percent in 1983–84.

Dynamic Gasoline Retailing

During the 1950s and 1960s oil companies literally plastered the country with service stations. They wanted outlets for all the gasoline they could produce from their supply of cheap crude oil from foreign oil fields. During the 1970s the middle-eastern powers as well as other countries nationalized their petroleum reserves and pushed prices up sharply. Deprived of cheap petroleum the oil companies were forced to look elsewhere for assets to enhance their profit and loss statements. They discovered they were sitting on a fortune in real estate. Properties purchased for $30,000 or $40,000 were found to be worth ten times as much or even more. Oil companies owning the land often decided to sell it especially if stations were small and unprofitable. If land was

leased by oil companies, lessors often chose not to renew such leases.

In many cases oil companies raised rents to reflect the inflated values of the land, thus forcing out marginal operators. Some dealers caught with marginal stations simply gave up in the face of increasing competition. In some entire regions of the country parent oil companies have pulled up stakes, thus abandoning their dealers who found themselves out of business. Oil deregulation in 1981 furthered the decline in the number of stations because the oil companies were released from governmental regulations which had prevented them from cutting off supplies to their regular but less profitable dealers.

As fewer stations serve the public, the stations that survived pump far more gasoline than their predecessors. Ten years ago the average station pumped about 28,000 gallons a month; today the average is close to 60,000 gallons. Big volume dealers, such as Arco, sell far more—150,000 gallons a month on the average.

Not only has the number of service stations been declining for a dozen years, but the manner of marketing gasoline has also changed dramatically in recent years. Small unprofitable stations, such as those pumping 20,000 gallons a month, were on their way out when the Arab oil embargo of 1974 hastened their demise. Spiraling prices on petroleum and gasoline, escalating real estate values, and technological advances have all tended to make the old-fashioned corner stations obsolete.

The oil crisis in 1974 spawned self-service stations as operators endeavored to serve the largest possible number of customers in the shortest possible period of time. Years earlier dealers had experimented with self-service stations, but they soon found this type of service forbidden by law in many states, ostensibly for safety reasons. Self-service was thought to be a fire hazard. Sudden shortages from the oil embargo and long waiting lines at stations made self-service an attractive way to dispense gasoline more efficiently and economically.

When the oil embargo struck, a mere 6 percent of all gasoline stations were prepared to offer self-service gasoline and about 20 percent of the industry's sales of gasoline were pumped through them. Today every major oil company offers self-service. Self-service pumps are now located in 85 percent of the nation's service stations. In California 80 percent of all gasoline is dispensed through self-service islands. Only two states—New Jersey and Oregon—continue to ban self-service.

Retailing gasoline today is largely a matter of price setting. Service that used to be taken for granted has been cut back by most oil company stations. Lubrication bays have been converted to mini-markets where a single clerk can service the sales of both gasoline and food products. Often it is difficult to obtain air and water.

When Americans began pumping their own gasoline they discovered that the costs of routine maintenance, such as oil changes and tuneups at service stations, were leaping upward and consequently many motorists began to do these jobs themselves. Motorists who pay for these services today usually go to a dealer or to a garage specializing in such service, not to a service station.

A major change in retailing took place in the spring of 1983 when Arco became the first major oil company to cancel its credit card operation and go strictly on a cash basis. Dealers feared a loss of business, but the extra discount for cash actually bolstered their receipts. Recently, some stations have gone a step further by converting pumps to electronic metering so that they accept bank cards in place of cash.

Table A

Taxable Transactions of Service Stations Compared to Gasoline Distributions, by Quarter 1983–84

	Taxable Transactions		*Gasoline Distributions*			
Quarter	*Amount*	*Percent Change Year to Year*	*Gallons*	*Percent Change Year to Year*	*Estimated Expenditure*	*Percent Change Year to Year*
July–September	$3,636,566,000	1.9	2,867,498,000	3.3	$3,440,998,000	−1.3
October–December	3,340,446,000	0.4	2,834,125,000	4.1	3,131,705,000	−2.2
January–March	3,284,691,000	8.5	2,804,802,000	3.6	3,102,111,000	7.8
April–June	3,618,571,000	5.8	2,871,951,000	4.9	3,345,823,000	5.8
Fiscal Year	$13,880,274,000	4.0	11,378,376,000	4.0	$13,020,637,000	2.6

Revenues Advance Strongly

Tax programs administered by the Board of Equalization produced state and local revenues totaling $13,735,924,000 during fiscal 1983–84, an increase of $1.6 billion or 13.3 percent over 1982–83. Levies from each tax are presented in the Text Table B; additional detail and historical comparisons are given in Appendix Table 2. (Comparisons of all major sources of state revenue are presented on page 10.) Per capita revenue from Board programs totaled $540, up $55 from the amount for the preceding fiscal year.

All state and local sales and use taxes combined produced $11,559,536,000, an increase of 13.6 percent for the fiscal year. The state's sales tax of 4.75 percent grossed $8,797,924,000, up 12.9 percent. Collections of sales and transactions taxes for other governmental agencies, cities, counties, and transit districts totaled $2,761,114,000. (Details are given in Appendix Tables 21A, 21B, and 22). Transit district taxes at the rate of one-half of 1 percent are levied in seven counties. Because these taxes were not collected for a full 12 months in Los Angeles and San Mateo Counties during 1982–83, the initial year for these counties, the growth for them shown in the text table is excessive.

The state's fuel taxes aggregated $1,154,491,000 during the year under review, 18.5 percent more than fiscal 1982–83. Here again the relative change is not valid because the tax rates were raised by 2 cents a gallon (to total 9 cents a gallon) on gasoline and diesel fuel effective January 1, 1983. Distributions of 11.4 billion gallons of gasoline were up 4.0 percent, while consumption of 1.4 billion gallons of diesel fuel for highway use was 13.5 percent ahead of 1982–83. (Historical data and assessments are presented in Appendix Tables 23–25).

Table B

COMPARISON OF REVENUES

1982–83 and 1983–84

(in thousands of dollars)

Revenue Source	*1982–83*	*1983–84*	*Percent Change*
Sales and Use Taxes			
State tax (4¾%)	$7,795,554	$8,797,924	12.9
City and county sales tax (1%)	1,619,263	1,836,018	13.4
County transportation tax (¼ of 1%)	406,360	459,621	13.1
Transit district taxes (½ of 1%)			
San Francisco Bay Area [1]	85,310	98,421	15.4
Santa Clara County	53,782	64,933	20.7
Santa Cruz County	5,496	6,667	21.3
Los Angeles County Transportation Commission	196,433	271,298	38.1
San Mateo County	16,786	24,156	43.9
Other taxes and fees	475	498	4.8
TOTALS	$10,179,459	$11,559,536	13.6
Fuel taxes and fees			
Gasoline and jet fuel	881,289	1,028,754	16.7
Diesel and other use fuel	93,271	125,737	34.8
TOTALS	$974,560	$1,154,491	18.5
Alcoholic beverage taxes	136,209	137,433	0.9
Cigarette tax	271,621	263,231	−3.1
Electrical energy surcharge	30,726	32,131	4.6
Emergency telephone users surcharge	23,057	25,356	10.0
Hazardous waste control tax	5,758	11,023	91.4
Hazardous substance tax	10,307	8,862	−14.0
Local taxes on state assessed properties [2]	462,241	530,042	14.7
Timber yield tax	10,069	13,219	31.3
Timber reserve fund tax	14,195	24	−99.8
Private railroad car tax	4,133	576	−86.1
GRAND TOTALS	$12,122,335	$13,735,924	13.3

[1] Metropolitan Transportation Commission revenues have been included on this line. Interest is accrued on MTC monies until they are allocated. Interest amounted to $1,173,810 in 1982–83 and $207,039 in 1983–84. Additional details are given in Appendix Table 22, footnote m.

[2] Collected by county tax collectors.

The state's excise tax of 10 cents per pack on cigarettes yielded $263,231,000, a decrease of 3.1 percent. Cigarette tax revenues have been declining ever since fiscal 1979–80 when the total hit $290 million. (The 1979–80 total includes an additional $18 million which resulted from a revision in the Board's internal accounting procedures.) Subsequently revenues have dropped from $278 million in 1980–81 to $277 million in 1981–82 to $272 million in 1982–83 and the current $263 million. During the fiscal year tax-paid distributions of cigarettes totaled 2.68 billion packs. Per capita consumption dropped from 114.8 to 110.1 packs per year, a decrease of 4.1 percent, the largest relative decrease ever recorded. (See Appendix Tables 30A and 30B for additional data.)

Alcoholic beverages which are taxed by the state at rates ranging from 1 cent to $2 per proof gallon produced $137,433,000, an increase of 0.9 percent for the year. Distilled spirits accounted for $107,983,000 of the total. Distributions of 53,564,000 gallons of distilled spirits were down 1.5 percent and per capita consumption dropped from 2.18 to 2.11 gallons. Beer and wine excise tax collections of $29,450,000 were up 6.4 percent. Per capita consumption of beer rose by half a gallon to 24.52 gallons. The use of wine continued its long gradual increase by rising from 4.54 to 4.60 gallons per capita. (See Appendix Tables 27–29 for historical data on taxes, total consumption, and per capita consumption by major type of beverage.)

The electrical energy surcharge levied on the use of electricity in California produced $32,131,000, 4.6 percent more than in fiscal 1982–83. Since September 1, 1981, the rate has been $0.0002 (two-tenths of a mill) per kilowatt hour (KWH), the maximum authorized by law. The electrical energy surcharge funds the activities of the State Energy Resources Conservation and Development Commission.

The emergency telephone users surcharge, a levy to fund the 911 statewide emergency number system, yielded $25,356,000. This tax is levied at the rate of one-half of 1 percent on bills for in-state telephone and communications services. The current rate was enacted by the provisions of Senate Bill 1180, Chapter 906, 1979, effective through October 31, 1982, and the Board has continued to levy the same rate since then.

The timber yield tax climbed to $13,219,000, up 31.3 percent from the depressed amount in 1982–83. This marked the first increase in this tax since 1978–79. The tax rate of 2.9 percent was levied on all timber harvested in the state. Initiated in 1977, this tax replaced the former ad valorem levy on standing timber administered by county assessors. The revenue collected by the state is reserved in its entirety for allocation to counties and does not augment the state's revenues. The Timber Reserve Fund has been terminated because its statutory guarantee expired at the end of 1982.

Recognizing that safe and proper disposal of hazardous wastes requires funding, the Legislature has established two taxes for different types of wastes. One, called the hazardous waste tax, is imposed on those who operate hazardous waste dump sites and upon businesses which dispose of such wastes on property they own or control. Revenue of $11.0 million was up 91 percent from that for 1982–83 primarily because rates were sharply increased. The other fund, known as the hazardous substance tax, is imposed on those who generate hazardous wastes and dispose of them in California. By law this fund is designed to yield $10 million a year. The revenue of $8,862,000 for 1983–84 fell short of this mark because misreporting of tonnage by taxpayers led to underassessments. These have been corrected to bring the total amount levied up to the $10 million statutory level on an accrual basis.

Private railroad car tax revenues fell sharply to net a mere $576,000 in 1983–84. Litigation determined that the Board had overassessed companies in 1978 and 1979 following the adoption of Proposition 13. Therefore refunds of $4,532,000 were granted in 1983–84. The revenue before refunds amounted to $5,108,000.

Taxable Sales Expansion

Transactions subject to California's sales or use taxes totaled $183.57 billion during fiscal 1983–84. The sales volume in actual dollars was 15.9 percent higher than the amount in 1982–83. Growth in actual dollars was the strongest since 1976–77 when 16.7 percent was recorded. Adjusted for price increases which averaged 3.7 percent for the fiscal year, the real increase in the physical volume of goods sold was 11.7 percent. Growth of inflation-adjusted sales was the strongest it had been in nearly 30 years. Such exuberant growth had not been recorded since 1955–56.

Retail stores, which account for 66.1 percent of all taxable transactions, reported taxable sales of $121,396,137,000 during the fiscal year. The total was 15.0 percent higher than that for 1982–83. Taxable sales of businesses and personal service establishments (whose tax is based primarily on materials and parts used in service and repairs because repair labor is exempt from tax) totaled $7,490,354,000, with an increase of 18.4 percent. "All Other Outlets"—primarily manufacturers, wholesalers, construction contractors, and part-time permittees regardless of type of business, recorded taxable transactions of $54,686,053,000, increasing 17.5 percent over the pre-

ceding year. (See Appendix Table 19 for detail on sales tax and number of sales tax permittees by type of business.)

Quarterly data for the fiscal year presented in Text Table C help to give perspective to each quarter of the period.

Outlets dealing in durables far outperformed those featuring nondurables. While durables advanced 22.9 percent, nondurables moved up only 9.6 percent. New car dealers, a mainstay of durables, reported taxable business of $17.9 billion, 28.8 percent more than their volume in 1982–83. The 1,460,471 new vehicles registered in the state during 1983–84 came very close to the all-time record of 1,461,756 set in 1977–78. The number of new trucks surpassed the number in 1977–78 by 13,516, but the number of new autos fell 14,801 short of the number registered that year. Text Table D summarizes the quarterly activity of new car dealers during the fiscal year.

As the fiscal year began, some auto manufacturers were offering incentives to boost sales. Ford offered cash bonuses on some models while General Motors made available loans at reduced rates. By September many domestic dealers had only a limited selection of vehicles on display. Import limitations imposed restraints on the summer sales of dealers selling Japanese imports. By midsummer Japanese-made models were in short supply. During the recession the quota did not work a hardship on dealers, but as sales burgeoned during recovery demand outpaced the supply.

During the winter as automobiles were being produced in the United States at their highest level in five years, two aspects of the industry came under fire: bonuses paid to auto executives and limitations on Japanese imports. High production meant increased profits for manufacturers. Some executives were paid bonuses of more than a million dollars. Such rewards drew immediate criticism from William Brock, special trade representative, who vowed to end the import quotas on Japanese cars when they expire in 1985. Because the Japanese could sell more vehicles than the quotas allowed, it is assumed that competition is stifled and prices are inflated. When quotas were first negotiated they were to be effective from April 1981 through March 1985 and they allowed 1,680,000 Japanese passenger car imports a year from April through March. New negotiations allow 1,850,000 vehicles in the current (final) year. For many months the Japanese importers have been able to sell more vehicles than the quotas allow. The combination of quality workmanship and operating economies of imports appear to give the Japanese an edge over their U.S. competitors. Recent research has indicated that the average price of a new car in the U.S. has been inflated by about $500 because of restrictions on imports.

Service stations posted taxable sales of $13.88 billion, 4.0 percent more than in 1982–83. (In our classification system refineries and bulk plants of oil companies operating service stations are also included under this class of business.) Distributions of 11,378,376,000 gallons of gasoline were also up 4.0 percent. This marked the first increase in consumption since 1978–79 when taxable gallonage hit 11,916,829,000 gallons. The amount spent on gasoline during 1983–84 is estimated at $13,020,637,000. The price of gasoline averaged $1.14 a gallon excluding sales taxes, 2 cents a gallon less than the average in 1982–83. The estimated price is weighted for all grades of gasoline and all types of service at retail stations and for bulk sales to fleet operators. Quarterly performance of service stations is presented in Text Table A.

Consumption of 1,427,535,000 gallons of diesel fuel was 13.5 percent higher than in 1982–83. As economic expansion got under way and the trucking industry picked up, diesel usage advanced sharply.

Table C

1983–84 Taxable Sales by Quarter; Growth in Actual Dollars Compared to Growth in Constant-Value Dollars

	Taxable Transactions		*Percent Change From Prior Year In:*		
Quarter	*Amount*	*Percent of Total*	*Actual Dollars*	*Constant Value Dollars*	*California Consumer Price Index*
July–September	$43,387,244,000	23.7	13.1	11.1	1.8
October–December	47,417,720,000	25.8	14.4	10.5	3.5
January–March	44,070,819,000	24.0	19.5	13.8	5.0
April–June	48,696,761,000	26.5	16.7	11.5	4.7
Fiscal Year	$183,572,544,000	100.0	15.9	11.7	3.7

Table D

New Vehicle Registration and Taxable Sales of New Car Dealers, 1983–84

Quarter	Number of Registrations of New Vehicles: Automobiles Number	Automobiles Percent Change Year to Year	Trucks Number	Trucks Percent Change Year to Year	Total Number	Total Percent Change Year to Year	Taxable Sales of New Car Dealers: Amount	Percent Change Year to Year
July–September	273,062	40.6	68,757	42.1	341,819	40.9	$4,091,859,000	38.1
October–December	275,600	23.0	65,257	12.9	340,857	20.9	4,227,964,000	26.1
January–March	298,606	33.1	74,317	43.7	372,923	35.0	4,573,156,000	31.4
April–June	316,742	22.5	88,130	44.5	404,872	26.7	5,051,034,000	22.1
Fiscal Year	1,164,010	29.1	296,461	35.4	1,460,471	30.4	$17,944,013,000	28.8

The building materials group, with taxable sales of $7,845,914,000, posted a gain of 31.5 percent, the largest increase for any retail group. Along the same line, construction contractors who are classified with "all other outlets" reported an even larger sales volume. Their taxable transactions totaling $9,243,037,000 were 28.6 percent above 1982–83. As interest rates moderated, construction activity picked up. Residential construction was stronger than it had been in five years. Authorizations for new private residential housing units reached 201,800, an increase of 55 percent over 1982–83. This level is generally accepted as the necessary level to meet the housing needs of Californians. The valuation of authorized nonresidential buildings topped $10.5 billion, an increase of 21 percent.

Department stores, which rang up $14,888,411,000 in taxable business, ranked next to new car dealers in sales volume with 8.1 percent of all taxable transactions in the state. Their increase of 16.5 percent over the prior year's sales demonstrates the strong demand for consumer products. The specialty stores group matched this increase as their sales volume hit $13,750,707,000. (Details on other types of retailers are given in Appendix Table 19.)

Taxable sales performance was remarkably uniform during the fiscal year in each of the four major regions of the state defined by the Board. The nine San Francisco Bay Area counties registered the strongest growth in the state with a gain of 16.8 percent. Northern California and the mountain counties ranked second with 15.6 percent. The eight counties making up Southern California advanced 15.4 percent. The San Joaquin Valley and central coastal counties moved ahead 14.7 percent. Every county except Alpine and Mono registered sales increases. (Detail for counties for the fiscal year is presented in Appendix Table 20.)

Quarterly and fiscal year growth patterns for the four regions of the state are shown in Text Table E. The difference in performance between the two fiscal years stands in sharp contrast. The San Francisco Bay Area stands out not only for registering the strongest growth in 1983–84 but for achieving the strongest growth for three straight years. It is unusual to compound growth year after year.

The current outlook for the economy continues to be optimistic. The exuberant performance of the first two quarters of 1984, however, would be too much to repeat. Nevertheless, there are strong indications that economic expansion will continue for some time at a more sustainable pace.

Table E

Regional Growth Patterns in Taxable Transactions, 1982–83, 1983–84

Percent Changes, Year-to-Year

	1982–83 3rd	4th	1st	2nd	Yr.	1983–84 3rd	4th	1st	2nd	Yr.
Northern California & Mountain Counties	0.3	5.7	2.3	11.0	4.8	13.2	13.2	19.0	17.3	15.6
Southern California	−3.7	0.2	−2.0	7.3	0.4	13.3	13.6	18.3	16.6	15.4
San Joaquin Valley & Central Coast	−1.7	1.3	−2.9	7.8	1.2	11.3	12.7	19.2	16.1	14.7
San Francisco Bay Area (9 counties)	3.1	7.4	1.9	13.0	6.3	13.5	15.2	20.1	18.5	16.8
Statewide	−1.6	2.4	−0.9	9.0	2.2	13.2	13.9	18.9	17.1	15.7

VII. TAX LITIGATION

PROPERTY TAXES

Computer Components Owned by a Bank and Placed in the Bank's Building Were Not Fixtures, and Were Thus Exempt From Taxation as Personalty Owned by a Bank, As Provided for in the California Constitution, Article XIII, Section 27.

Taxpayer, a subsidiary of a national banking association, owned certain components that were used in a computer system. They consisted of a power unit, a processing unit, a console keyboard, a tape control unit, four magnetic tape units and four other computer components. Each component was equipped with permanent wheels which permitted movement from time to time by disconnecting an electrical cable that was accessible through a removable floor panel. The heaviest component weighed 2,125 pounds but most others averaged 800 pounds each. The system rested on a raised floor that occupied one-third of the fifth floor of an eight-story general purpose office building. The floor was composed of individual panels that rested in metal frames that in turn rested on jacks. These parts were not fastened together or affixed in any other manner. The floor accommodated the electrical cables and provided air flow for the air conditioning system. Subsequent to the assessments, the entire system was relocated to a new building in a single morning.

The assessor classified the components as fixtures and real property subject to taxation and the assessment appeals board upheld this classification. The taxpayer brought suit for refund in superior court on the ground that the classification was erroneous. The trial court applied the traditional three-part fixtures test: (1) the manner of annexation to the realty; (2) the adaptability to the purpose for which the realty is used; and (3) the intention for which the annexation was made. The element of intent is the overriding factor and must be determined as an objective matter shown by the physical facts and not as the owner's subjective intent. The court held that the components were not fixtures and thus retained their identity as non-taxable personalty.

The court of appeal affirmed the trial court decision on the basis of substantial evidence that supports the findings. The non-permanent intent of the annexation was demonstrated by the mobility of the components and their ability to be unplugged and moved without any damage to themselves or to the computer room. Adaptability was shown both by the general purpose of the building and lack of specific design or purpose of the computer system. Conversely, the components were not essential to the purpose for which the building was constructed and used.

Additionally, on appeal the assessor contended that the floor items constituting the computer room were improvements to the building and that the computer components were constructively affixed to those improvements according to the unit for use test. But the appellate court held that the components were not annexed to the building because they did not constitute a unit with anything which was attached to the building as a fixture. Moreover, these concepts only apply where the use of the nonattached item is significantly associated with the purpose for which the building is used. *Security Data, Inc.* v. *County of Contra Costa*, 145 Cal.App.3d 108 (1983).

The Maximum Two Percent Inflation Factor of California Constitution, Article XIIIA, Section 2(b), Commences with the 1975 Base Year.

Taxpayer brought suit on claims for refund on the ground that the legislative and administrative interpretation of the two percent inflation factor of Proposition 13 was invalid. The section in question permits the full cash value base to reflect from year to year the inflationary rate not to exceed 2.0 percent for any given year or reduction as shown in the consumer price index. The provision does not specifically state whether the rate should commence with the 1975 base or subsequent to the 1978 passage of the proposition. In Revenue and Taxation Code, sections 51 and 110.1, the Legislature mandated commencement with the 1975 base and in California Administrative Code, Title 18, section 460, the State Board of Equalization ordered the same year. The trial court declared that the Legislative and administrative interpretation permitting adjustment for the three tax years immediately preceding the effective date of Proposition 13 was contrary to its plain meaning. The county appealed the ruling.

The court of appeal reversed by first holding that the provisions were intrinsically ambiguous and uncertain with respect to when application of the inflation factor could commence. Furthermore, it was held that the uncertain language was not clarified by extrinsic evidence of the intent of the voters. Under such circumstances, applicable rules of construction

compel deference to the legislative interpretation. *Armstrong* v. *County of San Mateo,* 146 Cal.App.3d 597 (1983).

An Oil Company Is Required by the Revenue and Taxation Code to Report to the Assessor Interpretative as well as Factual Data That Is Relevant to the Value of its Properties.

In a proceeding to enforce a subpoena duces tecum, the assessor compelled an oil company to appear in court and answer questions and produce records concerning oil and gas properties owned by the company. The taxpayer moved to quash the subpoena on the ground that the assessor was not entitled to information that was characterized as interpretative data. The trial court decided in favor of the assessor except as to certain feasibility studies and engineering reports that were found to be trade secrets. Both parties appealed.

The appellate court reversed that portion that favored the taxpayer and upheld the right of assessor to obtain all of the requested information. Revenue and Taxation Code, sections 441 and 470, required the oil company to disclose the information that the assessor determined to be necessary to make a proper assessment. It was held inappropriate in the context of the appraisal and assessment of oil and gas interests whose value is constantly changing as a result of economic factors and discovery or refinement of technological processes to make any distinction between factual and interpretative data. The court also held that even if certain data were trade secrets, the purpose of the trade secret privilege was met by the confidentiality with which such records were held in the hands of the assessor. *Roberts* v. *Gulf Oil Corp.,* 147 Cal.App.3d 770 (1983).

If a Given Unit Within a Multiple Structure Development Is Capable of Being Occupied and Utilized Without Regard to the Completion of the Remaining Structures, Then a Base Year Date and Value Should Be Set at that Time.

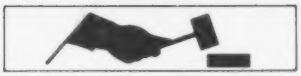
Pursuant to Revenue and Taxation Code, section 538, the assessor challenged the State Board of Equalization's rule on new construction, 18 California Administrative Code 463, on the ground that it incorrectly interprets Revenue and Taxation Code, section 71, which requires a reappraisal of the entire portion of property which is newly constructed at the date of completion of construction. The trial court upheld the rule and the assessor appealed.

The assessor primarily contended that whenever a singularly designed and physically integrated project is completed in distinct and separate phases, only at the time the improvement is finally completed, the entire improvement should be reappraised at its then current market value. The appellate court rejected this contention on the ground that the simple fact that a number of structures within a commercial development may be physically integrated is not necessarily determinative. Since there has been no disapproval of the Board's standard by the Legislature, the court concluded that it was in accord with the intent of the statute. It was also held that the definition of the date of completion as the date of the final inspection by the appropriate governmental official or the final certificate of occupancy comports with the statute. *Pope* v. *State Board of Equalization,* 146 Cal.App.3d 1132 (1983).

Real Property Which Had Been Restricted to Agricultural Use Pursuant to the Williamson Act Could Properly Be Reassessed Under the Rollback Provision of Proposition 13.

In reappraising agricultural property whose Williamson Act contract terminated in 1977, the assessor disregarded the value as reflected on the 1975 secured tax roll and instead reassessed the land at its 1975 fair market value without consideration of its restricted status. Taxpayers appealed to the county board of equalization which ordered a rollback to the 1975 enrolled value. The trial court denied the assessor's petition for a writ and appeal was taken.

The court of appeal reversed and remanded with directions to reinstate the fair market value as determined by the assessor. It was held that continuation of the tax benefits by a mechanical application of Proposition 13's rollback provision would strip the county of its benefits under the Williamson contract and violate the essence of California Constitution, Article XIII, section 8, which requires enforceably restricted land to be valued on a basis that is consistent with its restrictions and uses. *Shellenberger* v. *Board of Equalization,* 147 Cal.App.3d 510 (1983).



The Absence of an Actual Market for a Particular Type of Property Does Not Mean That It Has No Value or That It May Escape From the Constitutional Mandate That All Property Shall Be Taxed in Proportion to its Value.

Taxpayers appealed the assessments of their single family residences to the county assessment appeals board. They testified that the properties were uninhabitable and worthless due to the inadequate drainage system, resultant flooding, erosion and septic system failures. None of the homes in their subdivision that were offered for sale had actually sold during the assessment period. The board issued findings in support of the taxpayers' arguments and reduced the value of the land to one-sixth of its intrinsic market value. It determined the value of the improvements to be zero. The assessor obtained a writ of mandate from the superior court that reversed the board and reinstated the assessor's valuation. The taxpayers appealed.

The court of appeal affirmed the decision of the trial court. It held that the board had abused its discretion in that the values it had found were not supported by the evidence of record. Moreover, the board did not follow the mandate of Revenue and Taxation Code, section 51, since it failed to establish a full cash value which took into account reductions due to damage, destruction, depreciation, obsolescence, or other factors causing a decline in value. In contrast, the assessor had used this step-by-step procedure so that his value was supported by substantial evidence. *County of San Diego* v. *Assessment Appeals Board No. 2,* 148 Cal.App.3d 548 (1983).

A Change of Ownership Does Not Occur Upon Transfer of Bare Legal Title to Property Without a Corresponding Transfer of the Beneficial Use Thereof.

Taxpayer was a partnership whose general partners were two corporations and whose property consisted of a large residential community. Title to the property was held in name of one of the partners as nominee for the partnership. This partner was wholly owned by a parent corporation who merged it with another of its wholly owned subsidiaries which became the survivor subsequent to the merger. As the record owner, the surviving corporation executed a deed to the original partnership in 1976. Upon recordation of the deed, the assessor concluded that a change of ownership had occurred and reappraised the property. Taxpayer was successful in the trial court and the assessor appealed.

The appellate court affirmed the lower court by concluding there was no change of ownership. It held that the beneficial ownership was always held by the original partnership; the nominee partner held only the bare legal title to the property. All that transferred from the surviving partner to the partnership was bare legal title and not the beneficial use. Therefore, under Revenue and Taxation Code, section 60, there was no change of ownership and no basis for reappraisal. *Parkmerced Co.* v. *City and County of San Francisco,* 149 Cal.App.3d 1091 (1983).

The Railroad Revitalization and Regulation Reform Act of 1976 Requires That Transportation Property Should Be Taxed at the Same Rate as the Majority of Other Commercial and Industrial Property.

Taxpayer, the owner of private railroad cars, sought an injunction in the federal district court to prohibit the Board from levying an additional tax in 1980 that related to the 1978 tax year. As a result of the passage of Proposition 13, the Board limited taxpayer's 1978 rate to the new real property rate rather than the 1977 statutory combined rate. Subsequently, the rate question as applied to other personal property was resolved in favor of the higher rate by the California Supreme Court. Upon receipt of this decision in 1980, the Board then billed taxpayer for the additional 1978 tax that was originally limited. On February 6, 1979, the federal 4R Act of 1976 became effective and it prohibited the taxation of railroad property at rates higher than those imposed against other commercial and industrial property. The district court granted a preliminary injunction and the Board appealed.

The United States Ninth Circuit Court of Appeals affirmed for the taxpayer. It held that the Board's contention that the 4R Act did not apply because it was not effective until the year following the year to which the additional amount related was not persuasive. The court noted that the tax was physically to be collected subsequent to the act and that if the relation back contention was allowed, it would defeat the purpose of Congress in delaying the effective date for a three-year period. The court also rejected the Board's contention that private railroad cars should not receive the real property tax rate benefits of Proposition 13 and should be taxed at the rate of personal property on the unsecured roll. It was concluded that Congress did not make any distinction between real and personal property but since California uses two distinct rates, the act would require the same rate that was applied to the majority of commercial and industrial property. *Trailer Train Co.* v. *State Board of Equalization,* 697 F.2d 860 (1983), cert. den.,— U.S. —(Oct. 3, 1983).

SALES AND USE TAXES

Sales Tax Unconstitutional When Imposed on Leases to United States

The Board imposed sales tax on lessors for leases of equipment to the United States beginning January 1, 1979, under applicable law which provides that the sales tax applies when the lessee under a lease is exempt from the use tax.

The United States sought declaratory and injunctive relief, and a refund of sales taxes paid by its lessors to the Board. The U.S. District Court entered judgment in favor of the United States. The U.S. Court of Appeals, Ninth Circuit, affirmed. The legal incidence, not just the economic burden, of the sales tax is placed on the United States and therefore violates the United States' constitutional immunity from state taxation.

Even though the sales tax is paid by the lessors, not the United States, under these leases, and even though Civil Code section 1656.1 is facially neutral because it provides that whether the buyer reimburses the seller for the sales tax depends on the agreement of the parties, the California sales tax scheme provides a strong economic incentive (and manifests a legislative intent) for the lessors to collect the sales tax from the United States. This is because the lessor must pay more to the state in taxes if he absorbs the tax himself and passes the economic burden on as an increase in price, than if he collects the tax from the United States. *United States* v. *State Board of Equalization,* 650 F. 2d 1127 (1981), affd., 456 U.S. 901 (1982).

Taxes Imposed on United States Contractors Are Valid; Legal Incidence of Tax Did Not Fall on United States.

The Board collected use taxes from lessors who leased personal property to United States contractors, and the United States reimbursed the contractors for the taxes. The United States sought to recover the taxes paid. The U.S. District Court entered judgment in favor of the United States.

The U.S. Court of Appeals, Ninth Circuit, reversed and held in favor of the Board. Even though the contractors were acting as designated agents of the United States in executing the leases, and even though the United States bears the economic burden of the tax, the tax is valid if the legal incidence of the tax is not imposed on the United States itself.

Here the legal incidence of the tax falls on the contractors, not the United States. The contractors are separate entities from the United States, who are not performing governmental functions, but rather are engaged in commerce for their own economic advantage. *United States* v. *State Board of Equalization,* 683 F.2d 316 (1982).

Exempt Lease of Mobile Transportation Equipment Does Not Include Transfer of Ownership of Vehicles Already Leased.

Taxpayers, motor vehicle leasing companies, acquired mobile transportation equipment from other leasing companies. Taxpayers assumed the outstanding leases on the equipment, and also assumed the transferors' unpaid obligations to their lenders for the equipment.

The Board determined use tax on the purchases, measured by the amounts owed on the loans. Taxpayers sought refunds, and the trial court entered judgment for the Board.

The Court of Appeal affirmed. The court held that the exclusion from the definition of "sale" for leases of mobile tranportation equipment did not apply to these transactions. Taxpayers did not lease the equipment from the transferors, but rather acquired all the indicia of ownership of the equipment. The court also held that the consideration paid for the equipment was the taxpayers' assumption of the liabilities owed by the transferors, and tax was properly measured by those amounts. *Newco Leasing, Inc., et al.,* v. *State Board of Equalization.* 143 Cal.App.3d 120 (1983).

Sales of Goods to Common Carrier Not Exempt Unless a Proper Bill of Lading is Issued.

Taxpayer sold goods to an airline common carrier, under bills of lading which listed the carrier, not the taxpayer, as the shipper. The goods were delivered to and inspected by the carrier in California, but were for use out of state.

The Board denied an exemption under Revenue and Taxation Code Section 6385 because the bill of lading did not show taxpayer as the shipper as required in Regulation 1621. The taxpayer filed an action for refund, and the trial court entered judgment for the taxpayer.

The Court of Appeal reversed and held in favor of the Board. The court held that the place of delivery determines whether sales to common carriers are exempt under section 6385. Taxpayer's sales were not exempt because the bills of lading did not show tax-

payer as the consignor, the contract documents indicated delivery occurred in California, and the carrier's inspection of the goods at the place of delivery was the kind of inspection performed by a purchaser, not a common carrier. *Satco, Inc.* v. *State Board of Equalization,* 144 Cal.App.3d 12 (1983).

Alterations of New Clothing are Taxable as Fabrication Labor.

Taxpayer, a dry cleaning and tailoring shop, altered new clothing for customers who had purchased the clothing elsewhere and had not worn the clothing except for trying on or fitting. The Board estimated and determined tax on the alteration charges as fabrication labor under Revenue and Taxation Code section 6006(b) and Regulation 1524. The taxpayer filed an action for refund, and the trial court entered judgment for the taxpayer.

The Court of Appeal reversed and held in favor of the Board. The court held:

(1) Charges for alterations to new clothing, furnished by the customer, constituted a step in the producing or fabricating of a product and were therefore taxable as sales.

(2) Fabrication labor is taxable even though the taxpayer, rather than the customer, furnished economically insignificant materials, such as thread, to assemble or hold together the materials supplied by the customer.

(3) A transfer of title to tangible personal property is not necessary to constitute a taxable sale under section 6006(b).

(4) The phrase "new clothing" in Regulation 1524 is not unconstitutionally vague; the regulation itself, the Board's rulings, and judicial construction of section 6006(b) gave taxpayer reasonable notice that he would be liable for sales tax.

(5) Taxpayer failed to exhaust his administrative remedies when he refused to cooperate with the Board in arriving at a fair calculation of tax due. *Duffy* v. *State Board of Equalization,* 152 Cal.App.3d 1156 (1984).

Taxpayer Has Burden of Proving That Primary Purpose of Purchase is Nontaxable.

Burroughs Corp. manufactured certain computer components ("captive" components) and used them in testing other newly manufactured computer equipment. Burroughs later refurbished the captive components, sold or leased them at full value, and paid or collected sales or use tax on the sale and leases. The Board also imposed use taxes on Burroughs' purchases of the materials from which the captive components were manufactured. In Burroughs' action for refund of the use taxes paid, the trial court granted judgment in favor of the Board.

The Court of Appeal affirmed. The "primary purpose" test applies. If Burroughs' primary purpose in manufacturing the captive components is to test other components, this is a taxable use. If the primary purpose is to prepare the captive components for resale, this is an exempt use.

Burroughs did not carry its burden of proving that its primary purpose in purchasing the materials used to manufacture the captive components is to sell or lease the components. Neither the manufacturing objective (testing) nor the marketing objective (resale) is the one primary purpose. Use tax therefore applies to the purchase of the materials, even though tax also later applies to the sales or leases of the components. *Burroughs Corp.* v. *State Board of Equalization,* 153 Cal.App.3d 1152 (1984).

INSURANCE TAX

Insurance Tax Not Applicable to Interest Received By Insurers from Policyholders for Premium Financing.

The Board assessed tax against the taxpayer based on sums identifiable as interest charged in connection with its premium financing plans.

Taxpayer's claim for refund of the assessed taxes was denied by the Board and the Superior Court upheld the Board's determination. On appeal, the Appellate Court reversed the Superior Court's decision concluding that the interest in question was not part of taxable gross premiums but, rather, was nontaxable investment income. The Board requested a hearing before the California Supreme Court. The Supreme Court did not grant the hearing but returned the case to the Appellate Court for reconsideration in light of *Metropolitan Life Insurance Company* v. *State Board of Equalization,* 32 Cal.3d 649 (1982). Upon reconsideration, the Appellate Court affirmed its earlier decision against the Board. *Mercury Casualty Company* v. *State Board of Equalization,* 141 Cal.App.3d 43 (1983).

Insurance Tax Applies to Business Done in California by Out-of-State Mail Order Insurance Companies.

The Board assessed tax against the taxpayers based on gross premiums received from California policyholders even though the taxpayers' only contact with California was through solicitation by mail and utilization of independent contractors in California to perform functions incident to the administration of claims.

The Board denied taxpayers' claims for refund of the tax and the Superior Court upheld the Board's determination. The Appellate Court reversed the Superior Court's decision and the Board requested a hearing before the California Supreme Court. The Supreme Court affirmed the Superior Court's decision in favor of the Board and concluded that the character and extent of the taxpayers' activities in California were sufficient to form the "definite link" and "minimum connection" required to justify imposition of the tax. The United States Supreme Court dismissed taxpayers' appeals for want of a substantial federal question. *Illinois Commercial Men's Association* v. *State Board of Equalization; National Liberty Life Insurance Company* v. *State Board of Equalization,* 34 Cal.3d 839 (1983), app. dism.,—U.S.—(April 16, 1984).

CORPORATION FRANCHISE TAX

Taxpayers Denied Writ of Mandate Compelling Franchise Tax Board Action.

The Franchise Tax Board requested the Multistate Tax Commission to conduct an audit of two multistate corporate taxpayers to determine their California state franchise tax liability. The Franchise Tax Board, in conjunction with the commission, determined that the taxpayers possessed certain information necessary for completion of the audit, information which the taxpayers refused to disclose. Litigation concerning the taxpayers' refusal ensued in federal court and resulted in a determination that the commission was entitled to inspect the withheld information. While the federal litigation was pending, the Franchise Tax Board formally assessed the taxpayers, having calculated the asserted deficiency owed on the basis of available information.

The taxpayers filed a timely protest. Pursuant to the provisions of section 25666 of the Revenue and Taxation Code, the taxpayers were entitled to a hearing within 30 days. The Franchise Tax Board wrote the taxpayers suggesting that a hearing be deferred until resolution of the issues on appeal in the federal litigation. The taxpayers rejected the suggestion and petitioned the trial court for a writ of mandate commanding the board to schedule a protest hearing within 30 days and render its determination within 45 days thereafter. The trial court denied the writ.

The Court of Appeal affirmed. The court held that the taxpayers were not entitled to a writ of mandate since they had not exhausted their administrative remedies prior to seeking such relief; the taxpayers had failed to provide the commission and the board with certain information these entities regarded as essential to an accurate assessment of the taxpayers' tax liability. The court also held that the taxpayers were not entitled to a writ of mandate, since they had a plain and speedy remedy at law which they had failed to pursue. The taxpayers could have paid the sum in dispute and then sought a refund, as provided by Revenue and Taxation Code section 26078, on both the administrative level and in courts of law. *United States Steel Corp.* v. *Franchise Tax Board,* 144 Cal.App.3d 473 (1983).

Netherlands Company Cannot Enjoin Franchise Tax Board's Use of Unitary Business Formula.

A Netherlands company held 69 percent of the common stock of a Delaware corporation and also owned all of the stock of a Delaware holding corporation, which in turn owned all of the stock of another Delaware corporation. Both the Delaware corporations conducted business in California during the relevant period.

While the Franchise Tax Board was in the process of auditing the two Delaware corporations, it demanded information concerning the worldwide operations of the Netherlands company from the two Delaware corporations. The Netherlands company sued to enjoin the Franchise Tax Board from assessing taxes based on a unitary business formula against the two companies in which the Netherlands company was the majority stockholder. The district court dismissed the complaint for lack of standing and because the controversy was not ripe.

The Court of Appeal affirmed. The Netherlands company did not having standing to bring such an action. The Treaty of Friendship, Commerce, and Navigation, which the Netherlands company alleged gave them the standing, gave them no more right than a domestic corporation, which would not have standing to sue under these facts. Additionally, the court determined that the policies underlying the Tax Injunction Act compelled it to determine that the controversy was not ripe because it was still at the administrative stage. *Shell Petroleum* v. *Graves,* 709 F.2d 593 (1983).

PERSONAL INCOME TAX

Conviction for Failure to File Income Tax Return Upheld.

Defendant pleaded guilty after a preliminary hearing to one count of failure to file a state income tax return in violation of Revenue and Taxation Code section 19406.

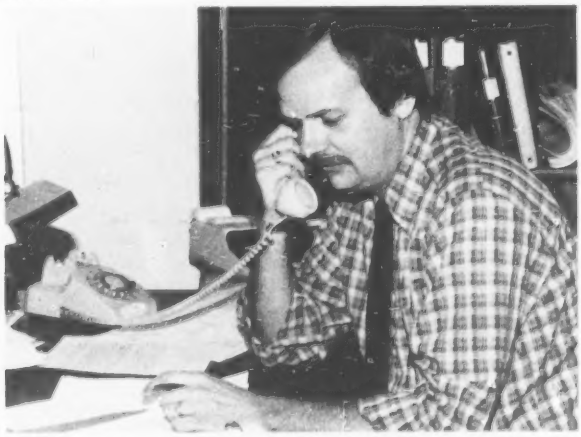
On appeal, defendant contended that he was improperly held to answer to felony violations of Revenue and Taxation Code section 19406 because the evidence presented at his preliminary hearing failed to show an intent to evade a tax as required by statute. Appellant's contention was that the offenses which he committed are misdemeanors because there was no evidence that he had the intent to evade payment of taxes when he failed to file his state income tax returns. Defendant also contended that Revenue and Taxation Code section 19406 was unconstitutional in that it violates (1) the Fourteenth Amendment to the United States Constitution because it is unconstitutionally vague and (2) the constitutional right to privacy.

The Court of Appeal affirmed. The court held that violation of Revenue and Taxation Code section 19406 is a public offense punishable either as a felony or misdemeanor, and intent to evade is an element of the offense in either case. The court also rejected defendant's vagueness contention on the grounds that section 19406 gives adequate notice of who is required to file and thus is not unconstitutionally vague. The court found that Revenue and Taxation Code section 19406 was not an unconstitutional violation of the right to privacy guaranteed in article 1, section 1, of the California Constitution and the federal Constitution, and the Information Practices Act of 1977 (Civ. Code, Section 1798, et seq.), or the federal privacy act. *People* v. *Roper,* 144 Cal.App.3d 1033 (1983).

Supervising Tax Auditor Earle Gutman of the Timber Tax Division writes a letter to a timber company concerning its recent audit.

Office Assistant Jennifer Campbell inputs an account correction directly into the headquarters computer from a remote video terminal at the Inglewood District office.

In Chicago, Tax Auditors Gary Wolferman and Alethea Paras emerge from a cross-town trip on the subway on their way to an audit assignment.



At the Tax Advisory Desk in the Audit Evaluation and Planning Unit, Tax Auditor Bob Wils answers a taxpayer's question about the application of sales tax to a retail transaction.

PUBLICATIONS OF THE CALIFORNIA STATE BOARD OF EQUALIZATION

Copies of free Board of Equalization publications may be obtained at any of the Business Taxes field offices listed on page A-44. For information and prices on publications available at cost, write to the California State Board of Equalization, Forms Management Unit, P.O. Box 1799, Sacramento, CA 95808.

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No. 2 Uniform Local Sales & Use Tax Law and Transactions & Use Tax Law
No. 3 Use Fuel Tax Law
No. 4 Cigarette Tax Law
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No. 6 Motor Vehicle Fuel License Tax Law
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No. 10 Energy Resources Surcharge Law
No. 11 Energy Resources Surcharge Regulations
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No. 14 Motor Vehicle Fuel License Tax Regulations
No. 15 Cigarette Tax Regulations
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No. 17 Appeals Procedures
No. 18 Tax Tips: Sales Tax Guide for Volunteer and Nonprofit Fund Raising Organizations
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No. 22 Tax Tips for the Dining and Beverage Industry
No. 24 Tax Tips for Package (Off-Sale) Liquor Stores
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No. 28 Business Tax & Property Tax Information for City and County Officials
No. 29 Property Tax Facts for Policy Makers
No. 31 Tax Tips for Grocery Stores
No. 32 Tax Tips for Sellers Making Sales for Resale or Export to Purchasers from Mexico
No. 34 Tax Tips for Motor Vehicle Dealers (New & Used)
No. 35 Tax Tips for Interior Designers and Decorators
No. 36 Tax Tips for Veterinarians
No. 37 Tax Tips for the Graphic Arts Industry
No. 38 Tax Tips for Advertising Agencies
No. 39 Emergency Telephone Users Surcharge Regulations
No. 40 Tax Tips for the Watercraft Industry
No. 41 Assessing Public Utilities
No. 43 Timber Yield Tax Law
No. 44 Transit Taxes Effective in Five Regions
No. 45 Tax Tips for Hospitals
No. 46 Tax Tips for Leasing of Tangible Personal Property in California
No. 47 Tax Tips for Manufactured Housing
No. 48 Church Exemption; Religious Exemption; and Religious Aspects of the Welfare Exemption
No. 59 Local Motor Vehicle Fuel Taxation Law
No. 60 Hazardous Substances Tax Law
No. 61 Exemptions and Exclusions from Sales and Use Taxes
No. 62 Tax Tips for Locksmiths

INDIVIDUAL COPIES AT NO CHARGE

Sales and Use Tax Regulations
Uniform Local Sales and Use Tax Regulations
Transactions (Sales) and Use Tax Regulations
Motor Vehicle Fuel License Tax Regulations
Use Fuel Tax Regulations
Tax Information Bulletin (published quarterly)
State of California Sales Tax Reimbursement Schedules
Property Tax Rules
Annual Calendar of Board Meetings
List of Board of Equalization Publications Available to the Public
Taxable Sales in California (published quarterly)
Annual Report of the State Board of Equalization
Hearing Procedures of the State Board of Equalization

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Business Taxes Law Guide
Property Taxes Law Guide

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STATISTICAL APPENDIX

ANNUAL REPORT 1983-1984

CALIFORNIA STATE BOARD OF EQUALIZATION

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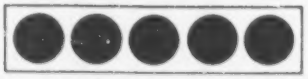
ADMINISTRATION	A-1	
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TABLE 1—SUMMARY OF EXPENDITURES OF THE BOARD
For the period July 1, 1983 to June 30, 1984
(in thousands of dollars)

Function	Expenditures	
	1982–83	1983–84
1	2	3
Personal services	$74,689	$81,969
Operating expenses and equipment:		
General expenses	2,390	2,854
Printing	1,232	1,058
Communications	1,222	1,345
Postage	1,407	1,193
Insurance	15	15
Travel—in-state	1,637	1,764
Travel—out-of-state	978	938
Training	59	54
Facilities—operation	4,010	4,575
Utilities	44	50
Consulting & Professional Services: Interdepartmental	4,477	4,696
Data Processing	1,218	1,644
Consolidated Data Center	12	9
Central Administrative Services	232	308
Equipment	347	485
TOTALS, Operating Expenses and Equipment	$19,280	$20,988
Totals, expenditures	$93,969	$102,957
Reimbursements:		
General Fund	23,137	28,018
Special Funds	6,100	6,562
Net expenditures	$64,732	$68,377

TABLE 2—SUMMARY OF REVENUES FROM TAXES ADMINISTERED BY THE BOARD, BY FISCAL YEAR, 1973–74 TO 1983–84

(In thousands of dollars)

Revenue source	1973–74	1978–79	1982–83	1983–84
1	2	3	4	5
Local taxes on state-assessed properties [a]	$497,450	$326,167	$462,241	$530,042
Private car taxes [a]	7,333	3,325	4,133	576 [q]
Fuel taxes and fees:				
Motor vehicle fuel license taxes: [b]				
Gasoline tax	701,400	835,947	880,586	1,027,909
Jet fuel tax	390	915	703	845
Subtotals	701,790	836,862	881,289	1,028,754
Use fuel tax [c]	52,239	75,187	93,232	125,704
Fees	20	23	39	33
Subtotals	52,259	75,210	93,271	125,737
Fuel total	754,049	912,072	974,560	1,154,491
Sales and use taxes and fees: [c]				
State taxes	2,673,570	5,810,484	7,795,554	8,797,924
City and county sales taxes	641,121	1,209,699	1,619,263	1,836,018
County transportation tax	158,775	302,446	406,360	459,621
Bay Area Rapid Transit District taxes [d]	36,184	61,938	85,310	98,421
Southern California Rapid Transit District taxes [e]	335	212	—	—
Santa Clara County Transit District taxes [f]	—	36,506	53,782	64,933
Santa Cruz Metropolitan Transit District taxes [g]	—	1,391	5,496	6,667
Los Angeles County Transportation Commission taxes [h]	—	—	196,433	271,298
San Mateo County Transit District taxes [i]	—	—	16,786	24,156
Fees	205	310	475	498
Totals	3,510,190	7,422,986	10,179,459	11,559,536
Alcoholic beverage taxes: [c]				
Taxes on beer and wine	18,756	25,137	27,690	29,450
Taxes on distilled spirits	100,556	114,923	108,519	107,983
Totals	119,312	140,060	136,209	137,433
Cigarette tax [c, j]	258,921	268,816	271,621	263,231
Electrical Energy Tax [l]	—	18,066	30,726	32,131
Emergency Telephone Users' Surcharge [m]	—	14,069	23,057	25,356
Timber Yield Tax [n]	—	42,518	10,069	13,219
Timber Reserve Fund Tax [n]	—	3,244	14,195	24
Hazardous Waste Control Tax [o]	—	—	5,758	11,023
Hazardous Substance Tax [p]	—	—	10,307	8,862
Grand totals	$5,147,255	$9,151,323	$12,122,335	$13,735,924 [k]

[a] Revenues shown represent those actually received during the indicated fiscal year. Local taxes extended on state-assessed properties include ad valorem special assessments collected by city and county officials.

[b] Based on business done during the fiscal year, i.e. tax on gasoline distributed. Includes tax, interest and penalties; refunds have not been deducted.

[c] Revenues received during the fiscal year from self-assessments and on tax deficiencies, interest and penalties assessed by the Board and fees collected for the issuance of permits or their reinstatement. Refund claims certified to the Controller by the Board or credited against subsequent tax liabilities during the fiscal year are deducted.

[d] This one-half of one percent tax became effective April 1, 1970, in the counties of Alameda, Contra Costa, and San Francisco. The amounts shown for BARTD for the most recent two years include amounts collected for the Metropolitan Transportation Commission: $23,831,093 for 1982–83 and $24,894,292 for 1983–84, including interest. Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for MTC which allocates it to the Alameda-Contra Costa Transit District, San Francisco Municipal Railway, and BARTD.

[e] This one-half of one percent tax was effective from July 1, 1970 through December 31, 1970 in Los Angeles County.

[f] This one-half of one percent tax became effective October 1, 1976, in Santa Clara County.

[g] This one-half of one percent tax became effective January 1, 1979, in Santa Cruz County.

[h] This one-half of one percent tax became effective July 1, 1982, in Los Angeles County.

[i] This one-half of one percent tax became effective July 1, 1982, in San Mateo County.

[j] Includes $77,676,000 in 1973–74, $80,645,000 in 1978–79, $81,486,000 in 1982–83, and $78,969,000 in 1983–84 earmarked for cities and counties.

[k] Insurance taxes amounted to $584,609,187 but are not shown above because most of the work involved is performed by the Insurance Commissioner.

[l] This tax became effective January 1, 1975.

[m] This tax became effective July 1, 1977.

[n] This tax became effective April 1, 1977, but no revenue was due until 1977–78.

[o] Administration of this tax was transferred to the Board from the Department of Health Services in fiscal year 1981–82.

[p] This tax was first levied in 1981–82 on hazardous waste generated in calendar year 1981.

[q] Refunds in the amount of $4,532,000 have been deducted. The bulk of the refunds were granted by court decision for 1978–79 taxes.

NOTE: Large increases in revenue may be attributable to higher tax rates. Details on rate changes for the business taxes listed above are presented in the following pages of this appendix in the historical table for each tax program.

TABLE 3A—SUMMARY OF TOTAL COSTS OF PERFORMING BOARD FUNCTIONS, 1982–83 and 1983–84
(In thousands of dollars)

Programs	Board expenditures [a]		Non-board expenditures [b]		Total costs	
	1982–83	1983–84	1982–83	1983–84	1982–83	1983–84
1	2	3	4	5	6	7
County assessment standards	4,028	4,157	215	140	4,243	4,297
State-assessed property [c]	3,577	4,037	254	135	3,831	4,172
Timber tax	1,578	1,687	—	—	1,578	1,687
Sales and use tax	77,421	85,286	3,600	3,060	81,021	88,346
Hazardous substances tax	237	331	—	—	237	331
Alcoholic beverage tax	692	716	29	27	721	743
Cigarette tax	1,601	1,663	16	14	1,617	1,677
Motor vehicle fuel license tax [d]	490	534	—	—	490	534
Use fuel tax	2,949	3,158	—	—	2,949	3,158
Electrical energy tax	54	79	—	—	54	79
Emergency telephone users' surcharge	69	84	—	—	69	84
Insurance tax	67	84	35	6	102	90
Appeals from other governmental programs	903	869	36	33	939	902
Administration and support						
Distributed to other programs [e]	(7,449)	(8,526)	—	—	(7,449)	(8,526)
Non-board programs (reimbursable)	303	272	—	—	303	272
Totals, programs	93,969	102,957	4,185	3,415	98,154	106,372
Reimbursements	−29,237	−34,580	—	—	−29,237	−34,580
Net totals, programs	64,732	68,377	4,185	3,415	68,917	71,792

[a] Format conforms to Program Budget presentation.
[b] Includes a portion of the cost of operating central agencies that perform services for the Board; such as offices of the Attorney General, the State Controller, and the State Personnel Board.
[c] Includes the cost of assessing and collecting the private car tax.
[d] Does not include the cost of administering gasoline tax refunds or collecting delinquent gasoline taxes which are functions of the Controller.
[e] These administrative costs are already allocated to the above tax programs.

TABLE 3B—REVENUES AND RATIOS OF BOARD EXPENDITURES AND TOTAL COSTS TO REVENUES FROM ASSESSMENTS MADE BY THE BOARD, 1982–83 AND 1983–84 [a]

Tax	Revenues (in thousands)		Ratio of board expenditures to revenues (in percent)		Ratio of total costs to revenues (in percent)	
	1982–83	1983–84	1982–83	1983–84	1982–83	1983–84
1	2	3	4	5	6	7
Local taxes on state-assessed property	$466,374	$530,618	.77	.76	.82	.79
Timber tax	24,264	13,243	6.50	12.74	6.50	12.74
Sales and use tax	10,179,459	11,559,536	.76	.74	.80	.76
Hazardous substance tax	16,065	19,885	1.48	1.66	1.48	1.66
Alcoholic beverage tax	136,209	137,433	.51	.52	.53	.54
Cigarette tax	271,621	263,231	.59	.63	.60	.64
Motor vehicle fuel taxes [b]	974,560	1,154,491	.35	.32	.35	.32
Electrical energy tax	30,726	32,131	.18	.25	.18	.25
Emergency telephone users' surcharge	23,057	25,356	.30	.33	.30	.33
Totals and ratios	$12,122,335	$13,735,924	.73	.71	.76	.73

[a] Format conforms to Program Budget presentation.
[b] Gasoline tax refunds have not been deducted from collections and the cost of making them is not included in expenditures.

TABLE 4—SUMMARY OF ASSESSED VALUES OF PROPERTY SUBJECT TO LOCAL GENERAL PROPERTY TAXES, ASSESSMENT RATIOS AND AVERAGE TAX RATES, 1974–75 to 1984–85 [a]

(Assessed values in millions of dollars)

Assessment agency and type of property	1974–75	1975–76	1976–77	1977–78	1978–79	1979–80	1980–81	1981–82 [f]	1982–83	1983–84	1984–85
1	2	3	4	5	6	7	8	9	10	11	12
County assessors:											
Land	26,854	29,020	32,233	36,245	37,137	43,335	52,199	238,486	263,447	282,952	312,655
Improvements	35,641	40,232	46,476	54,149	58,316	68,106	79,430	359,878	404,347	437,334	480,170
Totals	62,495	69,252	78,709	90,394	95,453	111,441	131,629	598,364	667,794	720,286	792,825
Tangible personal property	8,964	10,590	11,816	12,531	14,481	16,834	8,430	38,404	43,945	46,661	52,282
Gross tangible property totals	71,459	79,842	90,525	102,925	109,934 [d]	128,275	140,059	636,768	711,739	766,947	845,108
Exemptions:											
Homeowners' exemption	6,008	6,352	6,552	6,787	6,938	7,006	7,169	29,138	29,421	29,563	29,801
Business inventory exemption	2,589	3,094	3,454	3,606	4,203	4,997	[e]	[e]	[e]	[e]	[e]
All other exemptions [b]	1,977	2,191	2,388	2,696	2,806	2,895	3,184	14,553	15,460	16,794	18,583
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	69,482	77,651	88,137	100,229	107,130 [d]	125,380	136,874	622,215	696,279	750,154	826,524
Net of all exemptions	60,885	68,205	78,131	89,836	95,987 [d]	113,377	129,706	593,077	666,858	720,590	796,723
State Board of Equalization:											
Land	430	422	430	423	460	487	547	2,895	3,390	3,905	4,900
Improvements	2,483	2,594	2,893	3,431	6,001	6,546	6,911	30,430	34,896	40,632	44,724
Totals	2,912	3,016	3,323	3,854	6,461	7,033	7,458	33,325	38,286	44,537	49,624
Tangible personal property	1,904	2,025	2,257	2,611	461	408	407	2,387	2,546	2,680	2,591
Gross tangible property totals	4,816	5,041	5,580	6,465	6,922	7,441	7,865	35,712	40,833	47,217	52,214
Business inventory exemptions	8	13	23	37	48	51	[e]	[e]	[e]	[e]	[e]
Net tangible property totals	4,809	5,028	5,557	6,428	6,874	7,390	7,865	35,712	40,833	47,217	52,214
Totals all property:											
Land	27,284	29,442	32,663	36,668	37,598	43,822	52,746	241,381	266,837	286,857	317,556
Improvements	38,124	42,826	49,369	57,580	64,317	74,652	86,341	390,308	439,243	477,966	524,894
Totals	65,408	72,268	82,032	94,248	101,915	118,474	139,087	631,689	706,080	764,823	842,449
Tangible personal property	10,868	12,615	14,073	15,143	14,943	17,242	8,837	40,792	46,491	49,341	54,873
Gross tangible property totals	76,276	84,883	96,105	109,391	116,858 [d]	135,715	147,924	672,481	752,572	814,164	897,322
Net tangible property totals: [c]											
Net of "all other exemptions" [b]	74,299	82,692	93,717	106,694	114,052 [d]	132,821	144,739	657,928	737,112	797,370	878,739
Net of all exemptions	65,693	73,233	83,687	96,264	102,862 [d]	120,767	137,570	628,789	707,691	767,807	848,937
Ratios of assessed to full value of locally assessed property (percent)	24.2	24.7	25.1	23.0	—	—	—	—	—	—	—
Statewide average tax rates (per $100 assessed valuation)	$11.24	$11.33	$11.19	$10.68	$4.79	$4.69	$4.63	$1.144	$1.131	$1.126	—

[a] Excludes assessments of railroad cars for application of the State's private car tax (see Tables 17A and 17B) or assessments of motor vehicles for application of the "vehicle license fee", an ad valorem excise tax administered by the Department of Motor Vehicles and exacted from owners of motor vehicles in lieu of general property tax.

[b] "All other exemptions" include those for veterans, churches, religious properties, colleges, schools below college grade, hospitals, and charitable properties.

[c] Tax rates are set on assessed values which include the homeowners' exemption and exclude "all other exemptions" from the gross. Taxes are actually levied on values "net of all exemptions" and the State reimburses local governments for all of the tax loss attributable to the homeowners' exemption.

[d] Does not include changes made after September 1978 to county-assessed 1978–79 roll values. The revised totals shown below reflect the changes made through April 1979. A revised breakdown by type of property is not available.

Revised 1978–79 totals in millions of dollars

	County assessors	Totals all property
Gross tangible property totals	$112,620	$119,542
Net tangible property totals		
Net of "all other exemptions"	109,815	116,737
Net of all exemptions	98,673	105,547

[e] Business inventories became totally exempt effective on the 1980–81 property tax rolls and are no longer enrolled.

[f] The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82.

NOTE: Detail may not add to total because of rounding.

TABLE 5—ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1984–85 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property [b]	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$13,625,010	$19,876,928	$2,298,849	$936,364	$34,864,423	9.2
Alpine	52,471	70,152	4,700	269	127,054	5.1
Amador	319,648	600,737	49,917	6,081	964,221	6.7
Butte	1,571,628	2,862,848	288,460	103,271	4,619,665	6.9
Calaveras	456,546	689,259	35,999	8,229	1,173,575	8.2
Colusa	671,753	388,183	116,907	8,249	1,168,594	10.5
Contra Costa	9,461,172	19,225,462	1,095,187	386,727	29,395,094	9.9
Del Norte	172,761	266,979	38,079	8,207	469,612	4.8
El Dorado	1,348,405	2,876,892	126,399	46,458	4,305,238	8.0
Fresno	5,680,251	10,897,278	1,411,490	335,774	17,653,245	5.8
Glenn	477,876	471,700	90,820	8,800	1,031,596	2.4
Humboldt	991,431	1,870,262	216,739	61,594	3,016,838	4.0
Imperial	1,063,269	1,157,121	226,858	25,338	2,421,910	5.6
Inyo	607,350	349,263	42,398	14,576	984,435	7.6
Kern	17,056,500	10,615,568	1,151,636	252,418	28,571,286	14.8
Kings	851,386	1,343,185	210,380	28,436	2,376,515	17.0
Lake	1,514,215	984,566	72,457	15,845	2,555,393	17.7
Lassen	285,668	348,869	57,823	5,451	686,909	8.8
Los Angeles	90,911,477	144,426,869	14,358,748	6,307,212	243,389,882	9.5
Madera	887,391	1,649,335	192,773	26,176	2,703,323	6.2
Marin	3,557,482	6,573,214	343,710	219,542	10,254,864	8.3
Mariposa	232,883	265,023	26,179	3,386	520,699	18.5
Mendocino	942,633	1,391,703	111,857	47,383	2,398,810	6.7
Merced	1,457,905	2,553,490	279,737	57,916	4,233,216	7.4
Modoc	268,325	168,242	34,799	2,642	468,724	3.8
Mono	402,092	736,288	40,110	2,672	1,175,818	6.0
Monterey	3,660,674	6,260,207	597,964	209,599	10,309,246	7.7
Napa	1,309,050	2,363,130	192,724	114,835	3,750,069	11.9
Nevada	1,007,278	1,662,727	68,557	24,182	2,714,380	9.5
Orange	34,884,551	46,607,555	5,311,107	990,978	85,812,235	12.5
Placer	1,889,427	3,740,820	258,648	58,522	5,830,373	10.2
Plumas	356,854	802,819	40,567	7,364	1,192,876	8.2
Riverside	9,350,700	16,576,840	887,616	389,968	26,425,188	11.2
Sacramento	6,087,848	16,259,969	1,107,713	488,542	22,966,988	10.6
San Benito	359,417	518,803	64,379	6,914	935,685	10.1
San Bernardino	7,407,593	20,388,543	1,287,330	742,007	28,341,459	9.7
San Diego	25,121,286	39,063,416	3,595,252	1,233,279	66,546,675	10.9
San Francisco	9,032,961	19,983,220	1,565,417	1,077,914	29,503,684	12.2
San Joaquin	3,299,876	7,208,904	967,250	338,447	11,137,583	9.5
San Luis Obispo	2,509,805	5,130,563	440,309	49,340	8,031,337	15.2
San Mateo	8,613,838	16,611,284	2,460,271	782,683	26,902,710	8.6
Santa Barbara	5,060,076	6,982,654	735,387	289,968	12,488,149	12.9
Santa Clara	15,276,351	33,077,945	7,700,823	1,593,904	54,461,215	11.8
Santa Cruz	2,527,358	4,115,102	390,348	135,797	6,897,011	10.0
Shasta	1,210,562	2,775,582	229,323	59,360	4,156,107	7.6
Sierra	94,758	88,260	10,259	2,234	191,043	8.2
Siskiyou	553,266	781,496	97,546	19,196	1,413,112	3.2
Solano	2,362,341	4,657,865	535,833	94,971	7,461,068	8.1
Sonoma	5,371,796	7,526,716	552,974	166,141	13,285,345	12.2
Stanislaus	2,377,914	5,621,564	497,395	178,532	8,318,341	6.6
Sutter	999,839	1,056,829	165,205	27,575	2,194,298	8.2
Tehama	489,989	814,866	68,394	27,847	1,345,402	7.6
Trinity	185,516	207,312	24,933	2,389	415,372	8.3
Tulare	1,873,670	4,311,205	452,925	90,926	6,546,874	4.5
Tuolumne	495,554	885,132	65,800	21,769	1,424,717	7.9
Ventura	7,327,999	12,968,537	1,251,199	361,169	21,186,566	9.6
Yolo	1,177,104	2,444,167	228,841	44,428	3,805,684	6.8
Yuba	412,867	740,269	97,455	33,609	1,216,982	8.3
Totals	$317,555,646	$524,893,717	$54,872,755	$18,583,405	$878,738,713	10.2

[a] The value of the homeowners' exemption, $29,801,239,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

[b] Excludes railroad cars operated by private car companies, which were assessed at $515,750,000 and are subject to exclusive state taxation.

TABLE 6—ASSESSED VALUE OF STATE-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, BY CLASS OF PROPERTY AND BY COUNTY, 1984–85

(In thousands of dollars)

County	Land	Improvements	Personal property [a]	Total	Percent change year to year
1	2	3	4	5	6
Alameda	$173,792	$1,514,809	$122,928	$1,811,529	14.1
Alpine	6,859	8,570	4	15,433	1.2
Amador	7,580	151,626	7,112	166,318	10.7
Butte	17,562	418,138	7,152	442,852	10.1
Calaveras	3,315	89,889	1,228	94,432	5.8
Colusa	1,793	70,633	1,481	73,907	8.9
Contra Costa	231,124	1,592,582	124,421	1,948,127	6.2
Del Norte	462	20,329	559	21,350	3.2
El Dorado	7,204	201,800	6,473	215,477	8.9
Fresno	98,459	1,865,677	24,291	1,988,427	10.6
Glenn	2,583	79,102	517	82,202	4.3
Humboldt	7,021	209,176	8,039	224,236	−7.7
Imperial	16,099	172,483	5,220	193,802	34.3
Inyo	9,871	70,380	1,223	81,474	16.2
Kern	73,313	1,079,423	27,785	1,180,521	9.7
Kings	6,898	164,944	3,119	174,961	10.4
Lake	6,222	146,406	1,250	153,878	16.6
Lassen	5,893	64,392	6,971	77,256	12.0
Los Angeles	1,731,254	9,216,148	534,332	11,481,734	10.7
Madera	34,407	284,952	3,865	323,224	11.9
Marin	25,195	334,747	6,521	366,463	7.7
Mariposa	11,110	69,707	60	80,877	157.5
Mendocino	7,723	147,272	2,030	157,025	8.3
Merced	15,081	255,195	10,967	281,243	10.4
Modoc	1,724	46,070	3,866	51,660	1.8
Mono	6,098	47,940	253	54,291	13.3
Monterey	35,886	753,898	150,729	940,513	2.7
Napa	5,171	136,065	1,152	142,388	6.4
Nevada	18,230	158,591	1,593	178,414	7.2
Orange	441,958	2,415,187	182,660	3,039,805	14.2
Placer	63,962	327,605	14,548	406,115	10.3
Plumas	35,594	356,468	6,096	398,158	11.5
Riverside	86,973	1,254,110	71,821	1,412,904	9.7
Sacramento	88,414	1,067,913	61,746	1,218,073	8.9
San Benito	2,335	74,927	428	77,690	10.7
San Bernardino	167,614	2,449,601	172,156	2,789,371	7.6
San Diego	173,364	5,318,882	394,239	5,886,485	7.5
San Francisco	306,768	1,635,793	142,138	2,084,699	16.3
San Joaquin	180,670	659,728	33,990	874,388	10.6
San Luis Obispo	38,664	2,211,736	160,592	2,410,992	26.4
San Mateo	125,284	829,474	43,320	998,078	16.8
Santa Barbara	119,952	421,100	9,791	550,843	7.3
Santa Clara	174,819	1,609,387	33,078	1,817,284	8.0
Santa Cruz	8,858	220,402	1,614	230,874	5.3
Shasta	40,361	676,749	10,494	727,604	11.4
Sierra	5,156	14,466	177	19,799	12.0
Siskiyou	16,813	117,454	9,908	144,175	−2.1
Solano	30,241	380,983	8,059	419,283	12.8
Sonoma	15,983	787,022	24,377	827,382	10.5
Stanislaus	34,845	323,707	8,092	366,644	4.4
Sutter	4,773	118,532	2,101	125,406	7.7
Tehama	4,151	146,549	2,224	152,924	7.0
Trinity	972	36,802	431	38,205	15.8
Tulare	31,276	459,923	8,672	499,871	9.5
Tuolumne	4,586	107,779	3,388	115,753	−1.2
Ventura	97,949	1,021,456	103,332	1,222,737	6.2
Yolo	25,169	204,801	10,364	240,334	4.0
Yuba	4,871	104,174	5,545	114,590	8.9
Totals	$4,900,304	$44,723,654	$2,590,522	$52,214,480	10.6

[a] Excludes railroad cars operated by private car companies, which were assessed at $515,750,000 and are subject to exclusive state taxation.

TABLE 7—ASSESSED VALUE OF COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES, INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY CLASS OF PROPERTY AND BY COUNTY, 1984–85 [a]

(In thousands of dollars)

County	Land	Improvements	Personal property	Exemptions	Net total	Percent change year to year
1	2	3	4	5	6	7
Alameda	$13,451,218	$18,3[illegible]119	$2,175,921	$936,364	$33,052,894	9.0
Alpine	45,612	61,[illegible]92	4,696	269	111,621	5.6
Amador	312,068	449,111	42,805	6,081	797,903	5.9
Butte	1,554,066	2,444,710	281,308	103,271	4,176,813	6.6
Calaveras	453,231	599,370	34,771	8,229	1,079,143	8.4
Colusa	669,960	317,550	115,426	8,249	1,094,687	10.6
Contra Costa	9,230,048	17,632,880	970,766	386,727	27,446,967	10.2
Del Norte	172,299	246,650	37,520	8,207	448,262	4.8
El Dorado	1,341,201	2,675,092	119,926	46,458	4,089,761	7.9
Fresno	5,581,792	9,031,601	1,387,199	335,774	15,664,818	5.2
Glenn	475,293	392,598	90,303	8,800	949,394	2.3
Humboldt	984,410	1,661,086	208,700	61,594	2,792,602	5.0
Imperial	1,047,170	984,638	221,638	25,338	2,228,108	3.7
Inyo	597,479	278,883	41,175	14,576	902,961	6.9
Kern	16,983,187	9,536,145	1,123,851	252,418	27,390,765	15.0
Kings	844,488	1,178,241	207,261	28,436	2,201,554	17.6
Lake	1,507,993	838,160	71,207	15,845	2,401,515	17.8
Lassen	279,775	284,477	50,852	5,451	609,653	8.4
Los Angeles	89,180,223	135,210,721	13,824,416	6,307,212	231,908,148	9.5
Madera	852,984	1,364,383	188,908	26,176	2,380,099	5.4
Marin	3,532,287	6,238,467	337,189	219,542	9,888,401	8.3
Mariposa	221,773	195,316	26,119	3,386	439,822	7.8
Mendocino	934,910	1,244,431	109,827	47,383	2,241,785	6.6
Merced	1,442,824	2,298,295	268,770	57,916	3,951,973	7.2
Modoc	266,601	122,172	30,933	2,642	417,064	4.1
Mono	395,994	688,348	39,857	2,672	1,121,527	5.7
Monterey	3,624,788	5,506,309	447,235	209,599	9,368,733	8.2
Napa	1,303,879	2,227,065	191,572	114,835	3,607,681	12.2
Nevada	989,048	1,504,136	66,964	24,182	2,535,966	9.7
Orange	34,442,593	44,192,368	5,128,447	990,978	82,772,430	12.4
Placer	1,825,465	3,413,215	244,100	58,522	5,424,258	10.2
Plumas	321,260	446,351	34,471	7,364	794,718	6.6
Riverside	9,263,727	15,322,730	815,795	389,968	25,012,284	11.3
Sacramento	5,999,434	15,192,056	1,045,967	488,542	21,748,915	10.7
San Benito	357,082	443,876	63,951	6,914	857,995	10.0
San Bernardino	7,239,979	17,938,942	1,115,174	742,007	25,552,088	9.9
San Diego	24,947,922	33,744,534	3,201,013	1,233,279	60,660,190	11.2
San Francisco	8,726,193	18,347,427	1,423,279	1,077,914	27,418,965	11.9
San Joaquin	3,119,206	6,549,176	933,260	338,447	10,263,195	9.4
San Luis Obispo	2,471,141	2,918,827	279,717	49,340	5,620,345	10.9
San Mateo	8,488,554	15,781,810	2,416,951	782,683	25,904,632	8.3
Santa Barbara	4,940,124	6,561,554	725,596	289,968	11,937,306	13.2
Santa Clara	15,101,532	31,468,558	7,667,745	1,593,904	52,643,931	11.9
Santa Cruz	2,518,500	3,894,700	388,734	135,797	6,666,137	10.2
Shasta	1,170,201	2,098,833	218,829	59,360	3,428,503	6.8
Sierra	89,602	73,794	10,082	2,234	171,244	7.7
Siskiyou	536,453	664,042	87,638	19,196	1,268,937	3.9
Solano	2,332,100	4,276,882	527,774	94,971	7,041,785	7.8
Sonoma	5,355,813	6,739,694	528,597	166,141	12,457,963	12.4
Stanislaus	2,343,069	5,297,857	489,303	178,532	7,951,697	6.7
Sutter	995,066	938,297	163,104	27,575	2,068,892	8.2
Tehama	485,838	668,317	66,170	27,847	1,192,478	7.7
Trinity	184,544	170,510	24,502	2,389	377,167	7.6
Tulare	1,842,394	3,851,282	444,253	90,926	6,047,003	4.1
Tuolumne	490,968	777,353	62,412	21,769	1,308,964	8.8
Ventura	7,230,050	11,947,081	1,147,867	361,169	19,963,829	9.8
Yolo	1,151,935	2,239,366	218,477	44,428	3,565,350	7.0
Yuba	407,996	636,095	91,910	33,609	1,102,392	8.2
Totals	$312,655,342	$480,170,063	$52,282,233	$18,583,405	$826,524,233	10.2

[a] The value of the homeowners' exemption, $29,801,239,000, has been included in the valuations by type of property and excluded from exemptions because tax rates are set on assessed values which include it.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1984–85

(Assessed values in thousands of dollars)

County	Number of Veterans' exemptions [a]	Exempt value			
		Veterans' [a]	College	Church	Religious
1	2	3	4	5	6
Alameda	280	$10,138	$61,327	$8,357	$127,890
Alpine	1	52	—	36	—
Amador	20	484	—	254	2,604
Butte	133	3,749	—	1,758	30,316
Calaveras	20	424	—	—	5,054
Colusa	10	122	—	2,389	—
Contra Costa	213	7,907	32,643	3,312	120,868
Del Norte [b]	23	301	—	38	4,746
El Dorado	82	3,245	—	1,151	13,679
Fresno [b]	238	5,775	8,822	26,519	79,904
Glenn	17	272	—	29	6,732
Humboldt	67	1,634	—	4,044	13,943
Imperial	69	406	—	443	18,099
Inyo	10	113	4,644	5,390	143
Kern	247	2,753	—	107,673	—
Kings [b]	36	718	—	2,519	11,438
Lake	70	1,047	—	170	5,187
Lassen	38	630	—	4,002	—
Los Angeles [b]	1,582	45,473	885,464	111,564	1,001,629
Madera	109	747	—	557	11,780
Marin	90	3,936	37,990	14,278	22,286
Mariposa	24	592	—	1,040	180
Mendocino [b]	36	797	1,022	643	7,603
Merced	145	4,055	—	3,571	23,653
Modoc	19	135	—	89	1,163
Mono [b]	2	30	—	2,473	—
Monterey	244	9,456	3,544	8,399	35,263
Napa	43	1,469	22,892	3,246	20,467
Nevada [b]	74	2,228	—	528	8,034
Orange [b]	582	23,031	48,749	14,511	250,296
Placer	85	2,796	—	2,823	19,534
Plumas	17	589	—	4,590	—
Riverside [b]	449	14,844	30,732	1,644	103,763
Sacramento [b]	516	18,883	14,168	36,771	122,390
San Benito [b]	5	265	—	551	3,339
San Bernardino [b]	648	15,924	68,802	68,204	109,010
San Diego	1,304	49,345	55,824	29,637	222,741
San Francisco	109	3,478	112,138	38,542	115,383
San Joaquin	140	4,645	85,454	2,196	88,551
San Luis Obispo	72	2,305	225	5,955	25,109
San Mateo	158	6,192	254,385	15,145	84,398
Santa Barbara	151	5,545	15,899	11,178	53,730
Santa Clara	313	12,392	839,100	66,859	143,735
Santa Cruz	78	2,613	4,500	8,065	19,378
Shasta [b]	100	3,055	—	430	29,349
Sierra	5	69	—	129	488
Siskiyou	69	894	—	—	6,453
Solano [b]	327	11,593	—	3,017	19,505
Sonoma [b]	170	6,343	—	6,544	31,571
Stanislaus	107	2,797	—	10,301	74,209
Sutter	31	1,274	—	74	14,130
Tehama [b]	39	703	—	34	8,063
Trinity	20	90	—	—	1,657
Tulare [b]	105	1,931	1,969	13,896	42,503
Tuolumne	56	1,274	4	1,613	6,558
Ventura	189	7,649	31,744	18,543	82,428
Yolo	47	1,414	—	834	13,972
Yuba [b]	59	1,365	—	227	8,341
Totals	9,893	$312,286	$2,622,041	$676,785	$3,273,535

[a] Disabled veterans included in these figures numbered 7,968 with an exempt value of $306,530,000. Comparable figures for 1983–84 were 7,973 and $301,939,000.

[b] An additional exemption enacted by the Legislature in 1975, Section 155.20 of the Revenue and Taxation Code, permits counties to exempt property having low full value. The statute allows the exemption where the tax proceeds are less than the costs of administration, up to a full value of less than $1500. Six counties adopted ordinances and exempted the following amounts on the 1984 rolls: Fresno, $416,000; Kings, $378,000; Mendocino, $742,000; Sonoma, $5,033,000; Tehama, $494,000; and Yuba, $564,000. An additional 12 counties: Del Norte, Los Angeles, Mono, Nevada, Orange, Riverside, Sacramento, San Benito, San Bernardino, Shasta, Solano, and Tulare have adopted ordinances and exempt low value properties by assigning them a taxable value of zero.

TABLE 8—NUMBER OF VETERANS' EXEMPTIONS AND EXEMPT VALUE OF VETERANS', COLLEGE, CHURCH, RELIGIOUS, AND WELFARE EXEMPTIONS, 1984–85—Concluded

(Assessed values in thousands of dollars)

County	Exempt value				Total exempt value as percent of tax base [e]
	Welfare			Total [d]	
	Schools below college grade	Hospitals	Other charitable properties [c]		
7	8	9	10	11	12
Alameda	—	$306,272	$420,383	$936,367	2.7
Alpine	—	—	181	269	0.2
Amador	—	—	2,739	6,081	0.6
Butte	$2,802	52,819	11,828	103,272	2.2
Calaveras	209	—	2,472	8,159	0.7
Colusa	219	5,519	—	8,249	0.7
Contra Costa	37,002	122,522	62,474	386,728	1.3
Del Norte	347	—	2,775	8,207	1.7
El Dorado	1,248	16,398	10,737	46,458	1.1
Fresno	13,531	128,058	72,748	335,773	1.9
Glenn	206	—	1,572	8,811	0.9
Humboldt	2,781	17,579	21,612	61,593	2.0
Imperial	1,477	—	4,923	25,338	1.0
Inyo	1,126	—	3,160	14,576	1.5
Kern	12,775	100,397	27,012	250,610	0.9
Kings	3,567	5,311	4,505	28,436	1.2
Lake	164	3,377	5,898	15,843	0.6
Lassen	28	720	114	5,494	0.8
Los Angeles	218,203	2,097,388	1,947,489	6,307,210	2.6
Madera	127	9,849	3,112	26,172	1.0
Marin	33,742	28,837	78,783	219,852	2.1
Mariposa	265	—	1,294	3,371	0.6
Mendocino	3,692	11,272	21,613	47,384	2.0
Merced	3,782	13,572	9,284	57,917	1.4
Modoc	—	1,084	172	2,643	0.6
Mono	—	—	183	2,686	0.2
Monterey	20,861	45,697	86,379	209,599	2.0
Napa	11,042	39,326	16,393	114,835	3.1
Nevada	1,698	6,353	5,157	23,998	0.9
Orange	65,570	300,957	287,903	991,017	1.2
Placer	2,050	15,218	16,101	58,522	1.0
Plumas	—	—	2,186	7,365	0.6
Riverside	4,794	104,796	129,394	389,967	1.5
Sacramento	11,984	185,965	98,374	458,535	2.1
San Benito	1,258	—	1,376	6,789	0.7
San Bernardino	13,086	300,542	166,439	742,007	2.6
San Diego	66,967	327,773	480,298	1,232,585	1.9
San Francisco	116,499	338,986	350,253	1,075,279	3.6
San Joaquin	12,288	93,517	51,796	338,447	3.0
San Luis Obispo	4,473	—	11,272	49,339	0.6
San Mateo	57,222	162,401	202,958	782,701	2.9
Santa Barbara	34,906	75,466	92,956	289,982	2.3
Santa Clara	65,652	189,655	276,305	1,593,698	2.9
Santa Cruz	2,004	32,553	66,675	135,788	2.0
Shasta	2,711	18,260	5,553	59,358	1.4
Sierra	—	—	1,524	2,210	1.2
Siskiyou	—	7,154	4,695	19,196	1.4
Solano	5,818	39,771	15,267	94,971	1.3
Sonoma	13,772	54,137	48,744	166,144	1.3
Stanislaus	10,796	32,813	45,792	176,708	2.1
Sutter	2,972	7,347	1,779	27,576	1.3
Tehama	1,574	10,507	6,471	27,846	2.1
Trinity	262	—	379	2,388	0.6
Tulare	5,989	4,123	20,545	90,956	1.4
Tuolumne	1,065	7,196	3,759	21,769	1.5
Ventura	28,262	57,447	135,096	361,169	1.7
Yolo	2,711	17,076	8,421	44,428	1.2
Yuba	—	11,061	12,085	33,643	2.8
Totals	$905,581	$5,409,071	$5,369,388	$18,576,314	2.1

[c] General welfare agencies, youth service agencies and religious properties other than churches.

[d] Includes all enrolled exemptions except those arising from the homeowners' exemption law.

[e] The tax base includes the values of the homeowners' exemptions but excludes all other exemptions. Tax base is given in column 6 of Table 5.

TABLE 9—GROSS ASSESSED VALUE OF STATE- AND COUNTY-ASSESSED PROPERTY, NUMBER OF HOMEOWNERS' EXEMPTIONS, EXEMPT VALUE BY TYPE OF EXEMPTION, AND NET ASSESSED VALUE SUBJECT TO GENERAL PROPERTY TAXES, 1984–85 [a]

(Assessed values in thousands of dollars)

County	Gross assessed value	Number of homeowners' exemptions	Exempt value			Taxable assessed value (net of all exemptions)
			Homeowners'	All other	Total	
1	2	3	4	5	6	7
Alameda	$35,800,787	207,930	$1,454,669	$936,364	$2,391,833	$33,409,754
Alpine	127,323	171	1,182	269	1,451	125,872
Amador	970,302	5,189	36,293	6,081	42,374	927,928
Butte	4,722,936	32,628	228,157	103,271	331,428	4,391,508
Calaveras	1,181,804	5,948	41,634	8,229	49,863	1,131,941
Colusa	1,176,843	2,813	19,553	8,249	27,802	1,149,041
Contra Costa	29,781,821	156,813	1,097,118	386,727	1,483,845	28,297,976
Del Norte	477,819	3,752	25,855	8,207	34,062	443,757
El Dorado	4,351,696	19,675	137,492	46,458	183,950	4,167,746
Fresno	17,989,019	88,248	616,686	335,774	952,460	17,036,559
Glenn	1,040,396	4,468	31,178	8,800	39,978	1,000,418
Humboldt	3,078,432	21,230	148,513	61,594	210,107	2,868,325
Imperial	2,447,248	14,025	95,523	25,338	121,861	2,325,387
Inyo	999,011	3,025	20,602	14,576	35,178	963,833
Kern	28,823,704	76,788	532,810	252,418	785,228	28,038,476
Kings	2,404,951	12,427	86,000	28,436	114,436	2,290,515
Lake	2,571,238	10,723	74,301	15,845	90,146	2,481,092
Lassen	692,360	4,514	30,951	5,451	36,402	655,958
Los Angeles	249,697,094	1,160,351	8,118,210	6,307,212	14,425,422	235,271,672
Madera	2,729,499	12,550	87,535	26,176	113,711	2,615,788
Marin	10,474,406	48,413	338,531	219,542	558,073	9,916,333
Mariposa	524,085	2,608	18,210	3,386	21,596	502,489
Mendocino	2,446,193	13,745	96,212	47,383	143,595	2,302,598
Merced	4,291,132	22,774	158,784	57,916	216,700	4,074,432
Modoc	471,366	2,394	16,494	2,642	19,136	452,230
Mono	1,178,490	1,231	8,543	2,672	11,215	1,167,275
Monterey	10,518,845	43,191	302,305	209,599	511,904	10,006,941
Napa	3,864,904	19,634	137,330	114,835	252,165	3,612,739
Nevada	2,738,562	14,333	100,087	24,182	124,269	2,614,293
Orange	86,803,213	370,742	2,593,724	990,978	3,584,702	83,218,511
Placer	5,888,895	28,660	200,461	58,522	258,983	5,629,912
Plumas	1,200,240	4,318	30,110	7,364	37,474	1,162,766
Riverside	26,815,156	138,123	965,110	389,968	1,355,078	25,460,078
Sacramento	23,455,530	165,557	1,158,680	488,542	1,647,222	21,808,308
San Benito	942,599	4,513	31,549	6,914	38,463	904,136
San Bernardino	29,083,466	176,315	1,231,947	742,007	1,973,954	27,109,512
San Diego	67,779,954	313,956	2,196,621	1,233,279	3,429,900	64,350,054
San Francisco	30,581,598	96,168	672,723	1,077,914	1,750,637	28,830,961
San Joaquin	11,476,030	67,627	473,100	338,447	811,547	10,664,483
San Luis Obispo	8,080,677	28,870	202,042	49,340	251,382	7,829,295
San Mateo	27,685,393	125,724	880,092	782,683	1,662,685	26,022,708
Santa Barbara	12,778,117	51,546	360,792	289,968	650,760	12,127,357
Santa Clara	56,055,119	243,314	1,703,175	1,593,904	3,297,079	52,758,040
Santa Cruz	7,032,808	34,486	241,391	135,797	377,188	6,655,620
Shasta	4,215,467	24,798	173,369	59,360	232,729	3,982,738
Sierra	193,277	774	5,391	2,234	7,625	185,652
Siskiyou	1,432,308	9,806	67,990	19,196	87,186	1,345,122
Solano	7,556,039	47,944	335,567	94,971	430,538	7,125,501
Sonoma	13,451,486	62,186	435,249	166,141	601,390	12,850,096
Stanislaus	8,496,873	52,434	366,377	178,532	544,909	7,951,964
Sutter	2,221,873	10,519	73,603	27,575	101,178	2,120,695
Tehama	1,373,249	9,745	67,740	27,847	95,587	1,277,662
Trinity	417,761	2,746	19,111	2,389	21,500	396,261
Tulare	6,637,800	43,454	302,671	90,926	393,597	6,244,203
Tuolumne	1,446,486	8,404	57,235	21,769	79,004	1,367,482
Ventura	21,547,735	100,321	701,015	361,169	1,062,184	20,485,551
Yolo	3,850,112	19,518	136,427	44,428	180,855	3,669,257
Yuba	1,250,591	8,149	56,309	33,609	89,918	1,160,673
Totals	$897,322,118	4,262,308	$29,801,239	$18,583,405	$48,384,644	$848,937,474

[a] Business inventory exemptions, formerly shown in this table, are no longer available because inventories became totally exempt effective on the 1980–81 property tax rolls and are not enrolled.

TABLE 10—NET [a] STATE- AND COUNTY-ASSESSED VALUE OF PROPERTY SUBJECT TO GENERAL PROPERTY TAXES ON THE SECURED AND UNSECURED ROLLS, BY COUNTY, 1984-85

(In thousands of dollars)

County	Secured valuations			Unsecured valuations (local only) [b]	Total assessed value
	State-assessed	Locally assessed	Total		
1	2	3	4	5	6
Alameda	$1,811,529	$29,685,058	$31,496,587	$3,367,836	$34,864,423
Alpine	15,433	89,947	105,380	21,674	127,054
Amador	166,318	760,342	926,660	37,561	964,221
Butte	442,852	3,957,550	4,400,402	219,263	4,619,665
Calaveras	94,432	1,058,615	1,153,047	20,528	1,173,575
Colusa	73,907	1,032,967	1,106,874	61,720	1,168,594
Contra Costa	1,948,127	26,172,699	28,120,826	1,274,268	29,395,094
Del Norte	21,350	413,540	434,890	34,722	469,612
El Dorado	215,477	3,956,813	4,172,290	132,948	4,305,238
Fresno	1,988,427	14,620,900	16,609,327	1,043,918	17,653,245
Glenn	82,202	906,310	988,512	43,094	1,031,596
Humboldt	224,236	2,612,808	2,837,044	179,794	3,016,838
Imperial	193,802	2,031,512	2,225,314	196,596	2,421,910
Inyo	81,474	866,730	948,204	36,231	984,435
Kern	1,180,521	26,149,767	27,330,288	1,240,998	28,571,286
Kings	174,961	2,060,412	2,235,373	141,142	2,376,515
Lake	153,878	2,002,765	2,156,643	398,750	2,555,393
Lassen	77,256	574,934	652,190	34,719	686,909
Los Angeles	11,481,734	214,710,733	226,192,467	17,197,415	243,389,882
Madera	323,224	2,273,510	2,596,734	106,589	2,703,323
Marin	366,463	9,410,141	9,776,604	478,280	10,254,884
Mariposa	80,877	390,955	471,832	48,867	520,699
Mendocino	157,025	2,143,665	2,300,690	98,120	2,398,810
Merced	281,243	3,734,920	4,016,163	217,053	4,233,216
Modoc	51,660	399,424	451,084	17,640	468,724
Mono	54,291	1,032,213	1,086,504	89,314	1,175,818
Monterey	940,513	8,839,664	9,780,177	529,099	10,309,246
Napa	142,388	3,470,499	3,612,887	137,182	3,750,069
Nevada	178,414	2,442,588	2,621,002	93,378	2,714,380
Orange	3,039,805	75,904,809	78,944,614	6,867,621	85,812,235
Placer	406,115	5,183,692	5,589,807	240,566	5,830,373
Plumas	398,158	758,693	1,156,851	36,025	1,192,876
Riverside	1,412,904	24,044,079	25,456,983	968,205	26,425,188
Sacramento	1,218,073	20,493,027	21,711,100	1,255,888	22,966,988
San Benito	77,690	805,759	883,449	52,236	935,685
San Bernardino	2,789,371	24,020,356	26,809,727	1,531,732	28,341,459
San Diego	5,886,485	57,816,094	63,702,579	2,844,096	66,546,675
San Francisco	2,084,699	24,394,261	26,478,960	3,024,724	29,503,684
San Joaquin	874,388	9,557,117	10,431,505	706,078	11,137,583
San Luis Obispo	2,410,992	5,386,388	7,797,380	233,957	8,031,337
San Mateo	998,078	22,733,919	23,731,997	3,170,713	26,902,710
Santa Barbara	550,843	10,862,923	11,413,766	1,074,383	12,488,149
Santa Clara	1,817,284	45,561,959	47,379,243	7,081,972	54,461,215
Santa Cruz	230,874	6,327,133	6,558,007	339,004	6,897,011
Shasta	727,604	3,207,345	3,934,949	221,158	4,156,107
Sierra	19,799	149,622	169,421	21,622	191,043
Siskiyou	144,175	1,152,155	1,296,330	116,782	1,413,112
Solano	419,283	6,660,298	7,079,581	381,497	7,461,078
Sonoma	827,382	11,956,773	12,784,156	501,190	13,285,345
Stanislaus	366,644	7,335,647	7,702,291	616,050	8,318,341
Sutter	125,406	1,954,578	2,079,984	114,314	2,194,298
Tehama	152,924	1,150,053	1,302,977	42,425	1,345,402
Trinity	38,206	346,877	385,082	30,290	415,372
Tulare	499,871	5,754,060	6,253,931	292,943	6,546,874
Tuolumne	115,753	1,252,352	1,368,105	56,612	1,424,717
Ventura	1,222,737	18,578,603	19,801,340	1,385,226	21,186,566
Yolo	240,334	3,306,942	3,547,276	258,408	3,805,684
Yuba	114,590	1,016,784	1,131,374	85,608	1,216,982
Totals	$52,214,480	$765,474,279	$817,688,759	$61,049,954	$878,738,713

[a] Includes the value of the homeowners' exemption but excludes "all other" exemptions.

[b] All state-assessed property is on the secured roll.

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1984–85

(In thousands of dollars)

City	Assessed value	
	State	Local
1	2	3
Adelanto	10,821	70,217
Agoura Hills	35,289	727,911
Alameda	36,838	1,682,173
Albany	22,500	365,537
Alhambra	121,387	1,607,874
Alturas	6,262	54,056
Amador	304	3,885
Anaheim	418,134	8,469,578
Anderson	9,856	123,850
Angels	7,110	40,350
Antioch	50,843	1,035,237
Arcadia	39,427	1,753,160
Arcata	14,976	258,345
Arroyo Grande	13,994	344,751
Artesia	46,592	282,700
Arvin	4,127	57,929
Atascadero	20,217	495,845
Atherton	11,206	616,582
Atwater	14,860	241,548
Auburn	29,967	265,655
Avalon	4,726	132,158
Avenal	18,242	48,789
Azusa	23,482	668,128
Bakersfield	198,369	3,856,534
Baldwin Park	49,503	712,615
Banning	17,571	260,449
Barstow	63,792	295,226
Beaumont	14,305	136,308
Bell	34,340	351,597
Bellflower	54,106	959,093
Bell Gardens	31,195	298,471
Belmont	16,871	920,418
Belvedere	2,942	223,089
Benicia	21,864	1,013,925
Berkeley	102,337	2,493,317
Beverly Hills	108,704	4,072,560
Big Bear Lake	17,037	566,121
Biggs	1,578	19,200
Bishop	14,518	127,496
Blue Lake	1,463	16,089
Blythe	18,628	117,030
Bradbury	609	54,303
Brawley	9,212	210,200
Brea	40,181	1,845,748
Brentwood	8,393	92,044
Brisbane	63,038	259,537
Buena Park	115,485	1,991,973
Burbank	84,099	3,512,719
Burlingame	189,502	1,526,621
Calexico	7,769	183,171
California City	5,542	177,630
Calipatria	2,586	21,275
Calistoga	4,729	102,865
Camarillo	62,080	1,817,044
Campbell	21,998	1,179,358
Capitola	15,837	312,779
Carlsbad	357,305	2,192,804
Carmel	10,019	404,149
Carpinteria	18,522	341,660
Carson	100,956	4,141,594
Cathedral City	33,801	483,420
Ceres	13,954	311,861
Cerritos	66,324	1,864,439
Chico	76,086	778,677
Chino	55,035	965,134
Chowchilla	8,112	84,985
Chula Vista	287,245	2,053,904
Claremont	44,301	774,895
Clayton	6,141	165,882
Clearlake	15,681	226,633
Cloverdale	5,234	77,812
Clovis	38,606	855,364
Coachella	10,255	134,788
Coalinga	5,230	100,467
Colfax	3,248	26,949
Colma	5,528	63,524
Colton	52,780	491,731
Colusa	7,366	80,931
Commerce	194,164	1,329,799
Compton	135,407	1,125,075
Concord	179,117	3,333,212
Corcoran	5,327	82,105
Corning	7,299	90,291
Corona	70,057	1,228,874
Coronado	24,677	933,449
Corte Madera	7,057	378,497
Costa Mesa	81,445	3,530,901
Cotati	4,131	115,298
Covina	67,506	1,049,945
Crescent City	7,326	91,084
Cudahy	4,697	149,545
Culver City	90,499	1,914,247
Cupertino	36,081	2,064,534
Cypress	108,192	1,146,579
Daly City	71,620	1,771,909
Danville	46,630	1,303,792
Davis	43,213	950,250
Delano	15,074	205,633
Del Mar	6,370	308,672
Del Rey Oaks	1,466	40,796
Desert Hot Springs	15,133	222,376
Dinuba	9,436	138,913
Dixon	8,431	174,687
Dorris	1,893	9,790
Dos Palos	4,127	44,960
Downey	104,171	2,102,695
Duarte	11,951	450,906
Dublin	13,182	601,497
Dunsmuir	3,808	32,566
East Palo Alto	8,677	255,231
El Cajon	78,981	1,972,360
El Centro	26,961	431,427
El Cerrito	21,251	592,053
El Monte	78,224	1,390,341
El Segundo	252,810	3,725,195
Emeryville	33,051	575,023
Escalon	4,453	83,929
Escondido	100,606	2,025,491
Etna	905	11,779
Eureka	46,181	558,538
Exeter	7,690	114,349
Fairfax	4,332	229,766
Fairfield	77,507	1,486,534
Farmersville	3,344	53,208
Ferndale	2,138	24,897
Fillmore	8,753	152,558
Firebaugh	4,122	46,887
Folsom	17,799	408,257
Fontana	52,228	889,857
Fort Bragg	10,669	176,272
Fort Jones	2,673	12,151
Fortuna	7,677	157,348
Foster City	14,813	1,147,370
Fountain Valley	37,741	1,707,288
Fowler	4,660	48,505
Fremont	180,626	4,612,627
Fresno	416,364	6,573,448
Fullerton	115,222	3,816,292
Galt	4,465	86,091
Gardena	31,467	1,193,443
Garden Grove	91,871	3,058,428
Gilroy	26,718	676,795
Glendale	109,195	4,560,668
Glendora	34,116	986,759
Gonzales	3,646	96,760
Grand Terrace	43,965	215,637
Grass Valley	17,584	197,627
Greenfield	3,651	80,143
Gridley	5,646	69,550
Grover City	5,410	200,295
Guadalupe	4,620	37,401
Gustine	3,240	76,594
Half Moon Bay	9,517	269,068
Hanford	29,816	493,631
Hawaiian Gardens	5,393	168,962
Hawthorne	88,232	1,769,753
Hayward	207,718	3,015,244
Healdsburg	14,398	258,011
Hemet	43,750	692,040
Hercules	32,021	326,557
Hermosa Beach	38,804	734,759
Hidden Hills	1,191	146,127
Hillsborough	11,931	1,074,330
Hollister	15,414	297,679
Holtville	3,110	52,427
Hughson	2,398	41,308
Huntington Beach	426,593	6,409,226
Huntington Park	61,357	570,873
Huron	2,250	27,133
Imperial	2,387	45,715
Imperial Beach	17,002	323,030
Indian Wells	9,745	619,392
Indio	42,810	590,988
Industry	101,262	1,558,727
Inglewood	76,876	1,787,875
Ione	2,903	23,692
Irvine	197,041	6,989,098
Irwindale	52,223	486,591
Isleton	2,020	10,583
Jackson	7,284	68,290

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1984–85—Continued

(In thousands of dollars)

City	Assessed value		City	Assessed value		City	Assessed value	
	State	Local		State	Local		State	Local
1	2	3	1	2	3	1	2	3
Kerman	4,804	70,918	Monterey	51,549	1,150,629	Poway	36,562	1,091,841
King City	7,345	123,568	Monterey Park	74,636	1,449,028	Rancho Cucamonga	240,274	2,010,676
Kingsburg	5,397	112,665	Monte Sereno	2,223	186,289	Rancho Mirage	35,462	1,359,853
La Canada-Flintridge	44,288	833,226	Moorpark	31,274	405,508	Rancho Palos Verdes	51,198	2,002,160
Lafayette	27,431	1,056,375	Moraga	15,668	617,766	Red Bluff	19,177	215,124
Laguna Beach	30,500	1,173,757	Morgan Hill	25,276	631,711	Redding	92,697	1,392,938
La Habra	53,035	1,325,720	Morro Bay	218,133	311,651	Redlands	78,957	1,161,522
La Habra Heights	13,207	271,067	Mountain View	89,371	2,660,030	Redondo Beach	310,401	2,432,216
Lake Elsinore	19,151	271,211	Mount Shasta	5,280	76,214	Redwood City	130,861	2,165,500
Lakeport	12,566	118,480	Napa	57,546	1,391,741	Reedley	14,870	208,029
Lakewood	47,849	1,698,081	National City	83,596	813,533	Rialto	99,399	809,338
La Mesa	66,025	1,284,264	Needles	8,363	67,289	Richmond	145,698	3,384,501
La Mirada	36,574	1,181,858	Nevada City	8,300	77,224	Ridgecrest	25,470	374,943
Lancaster	76,492	1,282,618	Newark	33,548	966,502	Rio Dell	2,328	33,348
La Palma	9,823	474,965	Newman	4,307	56,549	Rio Vista	5,188	103,822
La Puente	60,426	393,816	Newport Beach	68,160	6,689,517	Ripon	4,739	127,552
La Quinta	14,454	398,132	Norco	13,497	452,199	Riverbank	5,922	136,997
Larkspur	21,001	534,299	Norwalk	101,407	1,336,949	Riverside	142,964	4,228,496
La Verne	28,252	674,749	Novato	39,801	1,314,086	Rocklin	23,382	308,863
Lawndale	11,250	450,374	Oakdale	10,673	257,928	Rohnert Park	28,483	764,257
Lemon Grove	19,099	386,569	Oakland	702,156	8,633,109	Rolling Hills	2,830	227,413
Lemoore	7,594	201,069	Oceanside	114,912	2,437,297	Rolling Hills Estates	6,216	640,462
Lincoln	7,131	103,576	Ojai	10,432	233,497	Rosemead	150,075	708,333
Lindsay	9,030	121,742	Ontario	187,225	2,704,085	Roseville	77,669	937,813
Live Oak	4,149	38,651	Orange	194,902	3,595,167	Ross	2,301	171,636
Livermore	86,185	1,373,433	Orange Cove	2,389	37,960	Sacramento	587,534	7,671,887
Livingston	4,755	100,660	Orland	6,075	83,879	St. Helena	9,949	243,311
Lodi	32,779	1,068,069	Oroville	25,695	261,324	Salinas	104,967	1,819,706
Loma Linda	16,783	280,225	Oxnard	485,613	2,712,753	San Anselmo	7,466	421,224
Lomita	29,921	441,771	Pacifica	27,774	854,105	San Bernardino	265,480	2,573,679
Lompoc	18,606	512,825	Pacific Grove	10,925	462,021	San Bruno	66,133	1,166,134
Long Beach	996,991	12,255,962	Palmdale	36,014	730,856	San Carlos	36,587	1,281,159
Los Alamitos	14,640	386,435	Palm Desert	43,527	1,571,744	San Clemente	39,197	1,468,473
Los Altos	27,378	1,209,142	Palm Springs	98,362	2,666,480	Sand City	653	31,510
Los Altos Hills	8,375	546,476	Palo Alto	119,413	3,744,405	San Diego	1,465,084	29,191,025
Los Angeles	3,731,435	90,980,813	Palos Verdes Estates	14,457	1,017,723	San Dimas	43,162	782,524
Los Banos	11,793	230,019	Paradise	24,763	524,112	San Fernando	32,955	336,326
Los Gatos	52,987	1,307,826	Paramount	46,399	772,096	San Francisco	2,084,699	27,418,985
Loyalton	1,113	12,713	Parlier	3,136	30,342	San Gabriel	28,989	666,630
Lynwood	19,478	615,337	Pasadena	155,027	3,968,586	Sanger	12,238	201,150
Madera	29,908	362,420	Paso Robles	18,173	369,772	San Jacinto	10,672	154,980
Manhattan Beach	30,029	1,805,767	Patterson	4,551	79,191	San Joaquin	1,648	14,026
Manteca	26,204	570,630	Perris	30,797	152,396	San Jose	837,101	21,037,215
Maricopa	1,300	13,153	Petaluma	36,429	981,274	San Juan Bautista	1,876	26,049
Marina	11,039	256,168	Pico Rivera	69,261	1,166,536	San Juan Capistrano	36,639	1,004,424
Martinez	39,411	907,123	Piedmont	5,686	502,080	San Leandro	118,558	2,475,023
Marysville	28,720	251,655	Pinole	11,887	390,265	San Luis Obispo	53,753	987,615
Maywood	4,190	192,290	Pismo Beach	8,076	249,726	San Marcos	32,168	772,832
McFarland	3,620	46,794	Pittsburg	36,945	799,455	San Marino	8,078	762,099
Mendota	4,900	46,803	Placentia	44,123	1,059,178	San Mateo	103,368	3,520,500
Menlo Park	40,663	1,667,301	Placerville	18,806	206,533	San Pablo	12,354	367,174
Merced	55,665	942,197	Pleasant Hill	27,843	991,749	San Rafael	106,315	2,068,977
Millbrae	38,602	742,099	Pleasanton	40,307	1,537,686	San Ramon	46,963	1,087,169
Mill Valley	35,836	630,912	Plymouth	2,030	8,272	Santa Ana	296,387	6,054,854
Milpitas	67,087	1,763,302	Point Arena	743	8,504	Santa Barbara	113,703	3,000,296
Modesto	125,486	3,156,462	Pomona	163,857	2,124,415	Santa Clara	149,268	5,252,852
Monrovia	44,350	790,994	Porterville	27,022	438,511	Santa Cruz	51,102	1,433,700
Montague	2,366	18,925	Port Hueneme	10,887	406,423	Santa Fe Springs	73,190	1,899,682
Montclair	19,390	580,120	Portola	4,731	35,754	Santa Maria	55,880	1,279,596
Montebello	147,318	1,210,105	Portola Valley	4,767	296,400	Santa Monica	304,711	4,404,520

TABLE 11—ASSESSED VALUE * OF STATE- AND COUNTY-ASSESSED PROPERTY SUBJECT TO GENERAL PROPERTY TAXES INCLUSIVE OF THE HOMEOWNERS' EXEMPTION, BY INCORPORATED CITIES, 1984–85—Concluded

(In thousands of dollars)

City	Assessed value	
	State	Local
1	2	3
Santa Paula	18,677	385,178
Santa Rosa	179,239	3,089,834
Santee	37,284	940,995
Saratoga	25,898	1,385,501
Sausalito	12,261	589,202
Scotts Valley	12,369	373,053
Seal Beach	44,132	991,130
Seaside	17,563	338,592
Sebastopol	6,991	184,500
Selma	13,335	183,128
Shafter	5,600	79,395
Sierra Madre	8,787	289,494
Signal Hill	15,162	630,700
Simi Valley	74,025	2,388,019
Soledad	5,775	64,031
Sonoma	6,033	242,317
Sonora	11,430	112,485
South El Monte	10,241	427,307
South Gate	50,366	1,214,523
South Lake Tahoe	25,596	1,117,464
South Pasadena	21,231	676,793
South San Francisco	55,646	2,293,103
Stanton	41,104	546,751
Stockton	242,097	3,960,000
Suisun	7,022	269,070
Sunnyvale	150,060	5,781,349
Susanville	12,762	126,306
Sutter Creek	3,121	42,831
Taft	15,069	98,215
Tehachapi	6,375	67,853
Tehama	414	6,367
Temple City	15,478	625,907
Thousand Oaks	126,214	3,967,041
Tiburon	8,256	454,843
Torrance	202,151	5,706,188
Tracy	28,620	542,691
Trinidad	1,343	14,134
Tulare	35,795	479,625
Tulelake	1,203	11,682
Turlock	28,429	680,695
Tustin	39,425	1,650,082
Ukiah	20,814	299,791
Union City	45,723	1,275,394
Upland	73,476	1,439,549
Vacaville	41,482	1,076,927
Vallejo	76,161	1,566,266
Ventura	116,683	2,758,630
Vernon	69,696	1,339,958
Victorville	65,817	514,261
Villa Park	4,608	311,473
Visalia	83,427	1,442,839
Vista	49,528	1,107,160
Walnut	31,564	494,595
Walnut Creek	102,062	3,022,697
Wasco	7,358	103,972
Waterford	2,870	45,259
Watsonville	27,940	585,237
Weed	3,817	42,639
West Covina	47,020	2,103,027
Westlake Village	7,732	541,679
Westminster	110,415	1,746,298
Westmorland	377	10,379
Wheatland	3,166	21,235
Whittier	97,873	1,805,277
Williams	2,017	27,109
Willits	8,964	111,924
Willows	7,071	81,744
Winters	3,285	49,407
Woodlake	3,417	42,170
Woodland	28,856	742,434
Woodside	9,722	458,962
Yorba Linda	36,906	1,345,130
Yountville	3,171	47,715
Yreka	11,954	190,613
Yuba City	31,178	503,857
Grand totals	$30,542,654	$608,398,990

* These values are net of "all other exemptions" (see Table 8) but include the values of the homeowners' exemption because tax rates for the support of city governments are set on assessed valuations which include them and local governments are reimbursed by the State for them.

Note: Detail may not add to total due to rounding.

TABLE 12A—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION, BY TYPE OF COMPANY, 1984–85

(In thousands of dollars)

Type of company	Assessed value
1	2
UNDER PROVISIONS OF SECTION 751 OF THE REVENUE AND TAXATION CODE	
Telephone and telegraph	$22,641,713
Gas and electric	26,328,055
Intercounty pipelines, flumes, canals, ditches, and aqueducts	920,912
Car	19,655
Railroad	2,304,145
Total	$52,214,480
UNDER PRIVATE CAR TAX LAW	
Private cars	515,750
Grand total	$52,730,230

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1984–85

(In thousands of dollars)

Name of company	Assessed value
1	2
TELEPHONE AND TELEGRAPH COMPANIES	
ALLNET Communication Services, Inc.	$7,658
American Satellite Company	29,037
American Telephone & Telegraph Communications of California, Inc.	984,084
American Telephone & Telegraph Interstate Division	422,147
Citizens Utilities Company of California (Water)	25,697
Citizens Utilities Company of California (Telephone)	124,656
Communications Satellite Corporation	16,204
Comsat General Corporation	6,500
Continental Telephone Company of California	444,274
Evans Telephone Company	4,760
Gencom Incorporated	5,599
General Telephone Company of California	4,417,184
G.T.E. Satellite Corporation	13,000
G.T.E. Sprint Communications Corporation	451,542
Happy Valley Telephone Company	5,500
Intrastate Radio Telephone, Inc. of San Francisco	9,500
I.T.T. World Communications, Inc.	21,160
Kerman Telephone Company	5,966
Livingston Telephone Company	4,400
M.C.I. Telecommunications Corporation	141,313
Mobilecomm of Los Angeles, Inc.	3,635
Pacific Bell	14,902,504
Ponderosa Telephone Company, The	13,454
R.C.A. American Communications, inc.	78,748
R.C.A. Global Communications, Inc.	15,822
Roseville Telephone Company	88,030
Satellite Business Systems	30,000
Sierra Telephone Company, Inc.	19,519
Siskiyou Telephone Company, The	7,692
Tuolumne Telephone Company, Inc.	12,821
United States Transmission Systems, Inc.	3,500
U.S. Telephone of the West, Inc.	6,600
Volcano Telephone Company, The	13,121
West Coast Telephone Company of California	13,838
Western States Microwave Transmission Company	4,540
Western Union International, Inc.	7,004
Western Union Telegraph Company, The	230,580
74 companies with an assessed value of less than $3,500,000 each	50,124
Total for telephone and telegraph companies [a]	$22,641,713

[a] Includes 52 radio-telephone companies.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1984–85—Continued

(In thousands of dollars)

Name of company	Assessed value
1	2
GAS AND ELECTRIC COMPANIES	
Anza Electric Cooperative, Inc.	$6,301
C.P. National Corporation	38,651
Pacific Gas and Electric Company	12,505,594
Pacific Lighting Gas Supply Company	532,551
Pacific Power and Light Company	87,167
Plumas-Sierra Rural Electric Co-op	9,636
San Diego Gas and Electric Company	2,709,233
Sierra Pacific Power Company	57,898
Southern California Edison Company	8,935,534
Southern California Gas Company	1,269,533
Southern California Water Company	121,296
Southwest Gas Corporation	45,001
Surprise Valley Electrification Corporation	9,602
Valley Electric Association, Inc.	58
Total for gas and electric companies	$26,328,055
INTERCOUNTY PIPE LINES, FLUMES, CANALS, DITCHES, AND AQUEDUCTS [b]	
Beacon Oil Company	$1,891
Calnev Pipe Line Company	45,083
Casitas Pipeline Company	3,404
Chevron U.S.A., Inc.	113,001
City of Riverside	6,870
Cuyama Pipeline Company	1,419
Exxon Company, U.S.A.—Division of Exxon Corporation	1,350
Four Corners Pipe Line Company	120,083
Getty Oil Company	89,406
Golden West Refining Company	4,950
Great Western Pipeline Company, Inc.	8,140
Kerr-McGee Chemical Corporation	1,750
Kings County Canal Company	687
Mobil Oil Corporation	65,557
Powerine Oil Company	2,915
Riverside Highland Water Company	460
San Diego Pipeline Company	20,000
San Luis Canal Company	2,300
Shell California Production, Inc.	8,850
Shell Oil Company	57,559
Southern Pacific Pipe Lines, Inc.	248,616
Standard Gas Company	1,730
Standard Pacific Gas Line, Inc.	27,000
Standard Pipe Line Company	7,370
Texaco, Inc.	3,150
Union Oil Company of California	75,502
Vallecitos Pipeline Company	375
West Riverside Canal Company	1,400
2 companies with an assessed value of less than $100,000 each	94
Total for intercounty pipe lines, etc.	$920,912

[b] All other taxable property owned by these companies is locally assessed.

TABLE 12B—ASSESSED VALUE OF PROPERTY ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO LOCAL TAXATION, BY COMPANY, 1984–85—Concluded

(In thousands of dollars)

Name of company	Assessed value
1	2
CAR COMPANIES [c]	
ACF Industries, Inc., Shippers' Car Line Division	$4
General American Transportation Corporation	3,179
North American Car Corporation	2,353
Pacific Fruit Express Company	1,924
Trailer Train Company	12,134
Union Tank Car Company	61
Total for car companies	$19,655
RAILROAD COMPANIES	
Alameda Belt Line	$2,214
Almanor Railroad Company	475
Amador Central Railroad Company	6,115
Arcata and Mad River Rail Road Company, The	2,748
Atchison, Topeka, & Santa Fe Railway Company, The	315,013
Burlington Northern, Inc.	7,029
California Western Railroad	2,736
Camino, Placerville & Lake Tahoe Railroad Company	4,400
Central California Traction Company	3,916
Holton Inter-Urban Railway Company	535
Los Angeles Junction Railway Company	13,000
McCloud River Railroad Company	8,985
Modesto and Empire Traction Company	23,577
Northwestern Pacific Railroad Company	24,402
Oakland Terminal Railway, The	728
Parr Terminal Railroad	95
Petaluma and Santa Rosa Railroad Company	2,790
Port Railroads, Inc.	390
Quincy Railroad Company	640
San Diego and Arizona Eastern Railway Company	1,072
San Diego and Arizona Eastern Transportation Company	801
Santa Maria Valley Railroad Company	4,168
Sierra Railroad Company	5,771
Southern Pacific Transportation Company	1,275,034
Stockton Terminal and Eastern Railroad	15,007
Sunset Railway Company	1,057
Trona Railway Company	26,618
Union Pacific Corporation	348,819
Ventura County Railway Company	2,026
Visalia Electric Railroad Company	1,051
Yreka Western Railroad Company	2,931
Total for railroad companies	$2,304,145

[c] Property at fixed locations which is not subject to the private car tax. Excludes the value of private cars operated on the railroads, for which see Table 17A.

TABLE 13—ASSESSMENT RATIOS, "COLLIER FACTORS", AND COEFFICIENTS OF DISPERSION

Determination of ratios was suspended by the Board in 1978–79 due to lack of data needed to ascertain the proper assessed values under Proposition 13 passed at the June 6, 1978 general election. Since the coefficients of dispersion currently available to the Board are based upon pre-Proposition 13 assessment criteria, their publication has also been suspended until completion of new surveys.

TABLE 14—1983–84 GENERAL PROPERTY TAX LEVIES AS COMPILED FOR COMPUTATION OF THE AVERAGE TAX RATE

(Levies and assessed values in thousands of dollars)

County	Net taxable [a] assessed value	Property tax allocations and levies [b]					Average tax rate	
		City	County [c]	School [c]	Other [d] district	Total [d]	1983–84	1982–83
1	2	3	4	5	6	7	8	9
Alameda	$30,391,938	$88,753	$108,433	$103,189	$82,625	$383,000	1.260%	1.273%
Alpine	119,815	—	941	292	44	1,277	1.066	1.082
Amador	668,015	349	4,007	4,352	212	8,920	1.028	1.056
Butte	4,087,678	3,600	9,942	25,004	5,012	43,558	1.066	1.073
Calaveras	1,042,387	97	3,182	6,502	1,762	11,543	1.107	1.120
Colusa	1,026,893	434	3,892	5,493	953	10,772	1.049	1.045
Contra Costa	25,642,177	31,823	71,619	99,375	92,371	295,188	1.151	1.159
Del Norte	423,228	97	1,399	2,361	499	4,356	1.029	.996
El Dorado	3,852,131	2,860	12,929	17,824	9,392	43,005	1.116	1.112
Fresno	16,093,844	24,498	56,515	75,782	22,517	179,312	1.114	1.106
Glenn	973,620	623	3,393	5,697	648	10,361	1.064	1.061
Humboldt	2,751,031	3,349	10,160	14,059	4,106	31,674	1.151	1.143
Imperial	2,191,478	3,227	7,638	11,564	1,295	23,724	1.083	1.080
Inyo	892,889	200	3,378	4,920	874	9,372	1.050	1.047
Kern	24,292,032	12,186	109,591	109,163	26,150	257,090	1.058	1.064
Kings	1,959,477	1,603	9,346	8,350	1,953	21,252	1.085	1.092
Lake	2,096,405	565	7,842	9,547	3,374	21,328	1.017	1.063
Lassen	600,035	296	1,834	4,071	417	6,618	1.103	1.146
Los Angeles	214,098,662	444,076	961,697	556,274	441,391	2,403,438	1.123	1.125
Madera	2,457,011	1,128	6,958	15,984	2,382	26,452	1.077	1.112
Marin	9,131,220	12,621	28,043	43,342	14,609	98,615	1.080	1.087
Mariposa	421,706	—	1,401	2,562	275	4,238	1.005	1.007
Mendocino	2,148,564	773	10,361	10,964	1,874	23,972	1.116	1.110
Merced	3,778,483	3,313	15,462	17,167	4,050	39,992	1.058	1.054
Modoc	435,425	152	1,678	2,349	280	4,459	1.024	1.039
Mono	1,100,346	—	4,704	3,840	3,282	11,826	1.075	1.066
Monterey	9,267,803	9,651	26,189	48,959	11,957	96,756	1.044	1.052
Napa	3,214,223	3,951	9,959	19,060	3,140	36,110	1.123	1.136
Nevada	2,375,331	769	7,047	12,750	5,205	25,771	1.085	1.092
Orange	73,696,099	103,295	150,087	440,742	159,147	853,271	1.158	1.160
Placer	5,088,869	2,780	16,236	27,195	9,792	56,003	1.100	1.105
Plumas	1,071,858	111	3,004	6,272	1,460	10,847	1.012	1.007
Riverside	22,814,362	22,153	70,927	107,914	59,153	260,147	1.140	1.163
Sacramento	19,592,669	24,676	76,645	67,453	49,271	218,045	1.113	1.121
San Benito	817,335	554	1,872	5,845	1,213	9,484	1.160	1.161
San Bernardino	24,588,279	28,195	78,556	101,968	86,170	294,889	1.199	1.211
San Diego	57,670,220	88,191	153,368	336,036	63,475	641,070	1.112	1.115
San Francisco	25,619,801	—	250,692	25,356	19,379	295,427	1.153	1.173
San Joaquin	9,698,170	13,460	39,852	36,254	14,272	103,838	1.071	1.084
San Luis Obispo	6,762,921	5,760	24,090	40,247	4,225	74,322	1.099	1.141
San Mateo	23,897,478	33,035	63,237	128,478	26,155	250,905	1.050	1.052
Santa Barbara	10,703,448	6,601	32,672	55,497	19,623	114,393	1.069	1.081
Santa Clara	46,986,144	63,480	140,320	271,930	76,396	552,126	1.175	1.178
Santa Cruz	6,021,703	4,783	17,355	34,382	7,694	64,214	1.066	1.058
Shasta	3,680,047	3,119	10,297	23,058	3,283	39,757	1.080	1.072
Sierra	171,075	34	1,081	428	193	1,736	1.015	1.015
Siskiyou	1,297,422	1,115	4,607	6,814	705	13,241	1.021	1.023
Solano	6,579,292	13,491	26,349	24,788	9,265	73,893	1.123	1.138
Sonoma	11,392,502	10,281	41,827	58,670	11,497	122,275	1.073	1.084
Stanislaus	7,292,296	6,527	19,369	46,954	4,083	76,933	1.055	1.058
Sutter	1,954,450	1,586	6,956	9,966	1,821	20,329	1.040	1.032
Tehama	1,181,290	828	4,606	6,829	467	12,730	1.078	1.069
Trinity	363,182	—	1,398	2,179	241	3,818	1.051	1.107
Tulare	5,775,945	4,210	25,526	26,290	4,441	60,467	1.047	1.047
Tuolumne	1,263,676	206	5,186	6,973	994	13,359	1.057	1.083
Ventura	18,656,303	16,273	58,890	83,531	53,714	212,408	1.139	1.138
Yolo	3,409,712	5,798	11,535	17,098	4,442	38,873	1.140	1.159
Yuba	1,068,126	677	4,444	5,429	1,442	11,992	1.123	1.137
Totals	$766,848,521	$1,112,213	$2,840,524	$3,245,372	$1,436,662	$8,634,771	1.126%	1.131%

[a] These are the assessed values on which general property taxes were actually levied in 1983–84. Excluded are exemptions totaling $46,357,629,000 as follows: homeowners', $29,563,873,000; and all other, $16,793,756,000.

[b] The county levies at a rate of 1 percent of assessed value have been allocated among the jurisdictions receiving a portion of those levies. Excluded are the State reimbursements to local governments of $333,967,000 for the homeowners' exemption described in footnote a and $301,843,000 for business inventories which beginning with the 1980–81 year are no longer assessed.

[c] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

[d] Includes debt levies on land and/or improvements only. Also includes the portion of the 1 percent levy allocated to jurisdictions previously taxing less than total property.

TABLE 15—1983–84 GENERAL PROPERTY TAX DOLLAR [a], BY COUNTY

County	Property tax dollars				
	City	County [b]	School purpose [b]	Other districts	Total
1	2	3	4	5	6
Alameda	$.23	$.28	$.27	$.22	$1.00
Alpine	—	.74	.23	.03	1.00
Amador	.04	.45	.49	.02	1.00
Butte	.08	.23	.57	.12	1.00
Calaveras	.01	.28	.56	.15	1.00
Colusa	.04	.36	.51	.09	1.00
Contra Costa	.11	.24	.34	.31	1.00
Del Norte	.02	.32	.54	.12	1.00
El Dorado	.07	.30	.41	.22	1.00
Fresno	.14	.31	.42	.13	1.00
Glenn	.06	.33	.55	.06	1.00
Humboldt	.11	.32	.44	.13	1.00
Imperial	.14	.32	.49	.05	1.00
Inyo	.02	.36	.53	.09	1.00
Kern	.05	.43	.42	.10	1.00
Kings	.08	.44	.39	.09	1.00
Lake	.02	.37	.45	.16	1.00
Lassen	.04	.28	.62	.06	1.00
Los Angeles	.19	.40	.23	.18	1.00
Madera	.04	.26	.61	.09	1.00
Marin	.13	.28	.44	.15	1.00
Mariposa	—	.33	.60	.07	1.00
Mendocino	.03	.43	.46	.08	1.00
Merced	.08	.39	.43	.10	1.00
Modoc	.03	.38	.53	.06	1.00
Mono	—	.40	.32	.28	1.00
Monterey	.10	.27	.51	.12	1.00
Napa	.11	.27	.53	.09	1.00
Nevada	.03	.27	.50	.20	1.00
Orange	.12	.17	.52	.19	1.00
Placer	.05	.29	.49	.17	1.00
Plumas	.01	.28	.58	.13	1.00
Riverside	.09	.27	.41	.23	1.00
Sacramento	.11	.35	.31	.23	1.00
San Benito	.06	.20	.61	.13	1.00
San Bernardino	.09	.27	.35	.29	1.00
San Diego	.14	.24	.52	.10	1.00
San Francisco	—	.85	.09	.06	1.00
San Joaquin	.13	.38	.35	.14	1.00
San Luis Obispo	.08	.32	.54	.06	1.00
San Mateo	.13	.25	.51	.11	1.00
Santa Barbara	.06	.29	.48	.17	1.00
Santa Clara	.12	.25	.49	.14	1.00
Santa Cruz	.07	.27	.54	.12	1.00
Shasta	.08	.26	.58	.08	1.00
Sierra	.02	.62	.25	.11	1.00
Siskiyou	.08	.35	.52	.05	1.00
Solano	.18	.36	.34	.12	1.00
Sonoma	.09	.34	.48	.09	1.00
Stanislaus	.09	.25	.61	.05	1.00
Sutter	.08	.34	.49	.09	1.00
Tehama	.06	.36	.54	.04	1.00
Trinity	—	.37	.57	.06	1.00
Tulare	.07	.42	.44	.07	1.00
Tuolumne	.02	.39	.52	.07	1.00
Ventura	.08	.28	.39	.25	1.00
Yolo	.15	.30	.44	.11	1.00
Yuba	.06	.37	.45	.12	1.00
Average	$.13	$.33	$.37	$.17	$1.00

[a] Includes special assessments levied on limited categories of property to finance activities from which such properties derived special benefits.

[b] County levies for school purposes such as junior college tuition and countywide school levies are included with school levies.

TABLE 16—Discontinued.

In previous reports this table presented data on several types of property which received special tax treatment, such as private aircraft, documented vessels, and baled cotton.

TABLE 17A—ASSESSED VALUE OF PRIVATE CARS ASSESSED BY THE STATE BOARD OF EQUALIZATION AND SUBJECT TO EXCLUSIVE STATE TAXATION, BY COMPANY, 1984–85

Name of company	Assessed value (in thousands)	Amount of tax
1	2	3
PRIVATE CARS		
ACF Industries, Incorporated	$26,423	$294,612
ADM Transportation Company	6,273	69,949
Allied Corporation	3,245	36,187
Amoco Chemicals Corporation	1,967	21,932
Amoco Oil Company	850	9,482
Amstar Corporation	1,350	15,055
Andrews Gas Liquids Services/Leasco	1,450	16,168
Borden Chemical, Division of Borden Incorporated	914	10,189
California Railcar Corporation	2,284	25,465
Celtran, Incorporated, A Subsidiary of Celanese Corporation	2,259	25,186
Chevron USA, Incorporated	10,492	116,991
Chicago Freight Car Leasing Company	942	10,506
Columbian Chemicals Company	1,252	13,965
Conoco, Incorporated	2,919	32,544
Crystal Car Line, Incorporated	3,588	40,009
Dow Chemical Company (The)	10,771	120,099
E. I. Du Pont de Nemours and Company	6,682	74,508
Ethyl Corporation	1,256	14,004
Evans Railcar Leasing Company	4,499	50,160
Exxon Chemical Americas	3,295	36,740
Exxon Company USA	2,918	32,532
Farmland Industries, Incorporated	1,871	20,859
Foster Poultry Farms, Incorporated	1,540	17,168
Fruit Growers Express Company	1,303	14,533
General American Transportation Corporation	42,001	468,315
Georgia-Pacific Corporation (Plaquemine Division)	1,049	11,698
Granite Rock Company	2,803	31,257
Gulf Oil Corporation	1,341	14,953
Itel Corporation, Rail Division	4,429	49,389
Kerr-McGee Chemical Corporation	4,864	54,232
Koppers Company, Incorporated	2,702	30,124
MHC, Incorporated	1,395	15,554
Martin Marietta Aluminum, Incorporated	771	8,598
Mobil Oil Corporation	6,754	75,304
Monsanto Company	3,725	41,537
North American Car Corporation	35,980	401,177
Northern Petrochemical Company	1,231	13,730
Occidental Chemical Corporation	1,392	15,516
PPG Industries, Incorporated	893	9,955
Pacific Fruit Express Company	2,074	23,121
Petrolane, Incorporated	910	10,149
Phillips Petroleum Company	3,052	34,035
Pullman Leasing Company	6,266	69,871
RAILGON Company	3,456	38,531
Rail Box Company	29,787	332,120
Railtex, Incorporated	841	9,381
Richmond Leasing Company	7,920	88,312
Salt River Project	1,464	16,329
Shell Oil Company	9,286	103,538
Shintech, Incorporated	782	8,720
Stauffer Chemical Company	1,375	15,336
Tamak Transportation Corporation	1,019	11,361
Tennessee Eastman Company, Division of Eastman Kodak Company	1,737	19,371
Tosco Corporation	796	8,871
Trailer Train Company	145,453	1,621,803
Transportation Corporation of America	908	10,120
Trinity Industries Leasing Company	3,719	41,465
Union Carbide Corporation	3,200	35,682
Union Sugar Company	1,226	13,674
Union Tank Car Company	35,543	396,303
United Equipment Leasing Associates	3,110	34,678
United States Leasing International, Incorporated	5,034	56,133
United States Rail Services, Incorporated	2,167	24,158
Vulcan Materials Company, Chemicals Division	809	9,020
WFIX Partners	2,051	22,867
181 other companies with an assessed value under $750,000 each	30,092	335,484
Totals for private cars	$515,750	$5,750,615

TABLE 17B—PRIVATE CAR TAX ASSESSMENTS, TAX RATES, AND TAX LEVIES, 1938–40 TO 1984–85

Fiscal year	Average number of cars	Assessed value [a] (000 omitted)	Average assessed value per car [a]	Tax rate per $100 assessed value [b]	Amount of tax [c] (000 omitted)
1	2	3	4	5	6
1984–85	21,526	$515,750	$23,959	$1.115	$5,751
1983–84	22,596	554,614	24,545	1.119	6,206
1982–83	18,688	581,697	31,127	1.13	6,573
1981–82	16,142	528,235	32,724	1.14	6,022
1980–81	16,143	109,696	6,795	4.62	5,068
1979–80	14,514	90,701	6,249	4.70	4,263
1978–79	17,483	87,393	4,999	4.85	4,239
1977–78	18,388	78,154	4,213	11.19	8,754
1976–77	18,962	78,660	4,148	11.33	8,915
1975–76	18,003	75,632	4,202	11.24	8,505
1974–75	18,648	71,251	3,801	11.15	7,946
1973–74	17,111	64,101	3,681	11.44	7,334
1972–73	15,157	50,255	3,316	11.43	5,701
1971–72	14,977	44,196	2,951	10.85	4,552
1970–71	15,091	41,766	2,768	9.93	4,148
1969–70	15,088	39,809	2,638	9.39	3,739
1968–69	14,756	43,421	2,943	8.90	3,865
1967–68	14,539	37,627	2,584	7.79	2,931
1966–67	13,872	32,986	2,378	7.51	2,477
1965–66	14,436	30,243	2,095	7.29	2,205
1964–65	14,534	28,855	1,985	6.99	2,017
1963–64	14,562	26,679	1,832	6.92	1,846
1962–63	15,639	26,506	1,695	6.82	1,808
1961–62	16,182	26,807	1,657	6.54	1,753
1960–61	16,055	25,894	1,613	6.44	1,668
1959–60	15,953	25,848	1,620	6.24	1,613
1958–59	16,867	30,573	1,813	5.60	1,712
1957–58	17,108	29,826	1,743	5.33	1,590
1956–57	17,168	27,435	1,598	5.19	1,424
1955–56	17,644	26,136	1,481	5.09	1,330
1954–55	17,993	26,534	1,475	4.90	1,301
1953–54	17,092	25,378	1,485	4.81	1,222
1952–53	16,051	23,524	1,466	4.79	1,127
1951–52	16,511	21,974	1,331	4.95	1,089
1950–51	17,068	19,186	1,124	4.64	891
1945–50	16,382	17,426 [d]	1,064	3.99	3,510
1940–45	13,259	12,630 [d]	953	3.63	2,286
1938–40	13,734	11,579 [d]	843	3.66	848

[a] Includes materials and supplies held, stored, or used in the State for the purpose of repairing, improving, servicing, or operating the cars. Escape assessments for prior years are not included in the computation of the average assessed value per car.

[b] Based on the statewide average tax rate for the preceding year.
The ratio of assessed value to taxable value was changed to 100 percent (from 25 percent) beginning with the lien date for 1981–82 and the tax rate was adjusted downward proportionately.

[c] Includes interest, penalties and escape assessments from prior years.

[d] Average total assessed value for the period.

TABLE 18—STATE SALES AND USE TAX COLLECTIONS AND NUMBER OF PERMITS, 1933–35 TO 1983–84

(Collections in thousands of dollars)

Fiscal year	Collections [a]			Number of outstanding permits [c]
	Taxes	Fees [b]	Total	
1	2	3	4	5
1983–84	$8,797,924	$498	$8,798,422	764,366
1982–83	7,795,554	475	7,796,029	763,685
1981–82	7,689,139	448	7,689,587	724,352
1980–81	7,131,482	409	7,131,891	673,876
1979–80	6,658,425	365	6,658,790	658,822
1978–79	5,810,484	310	5,810,794	634,758
1977–78	5,028,658	308	5,028,966	598,477
1976–77	4,311,426	272	4,311,698	571,659
1975–76	3,737,838	252	3,738,090	536,545
1974–75	3,372,966	231	3,373,197	510,232
1973–74	2,673,570 [d]	205	2,673,775 [d]	484,655
1972–73	2,197,083 [e]	193	2,197,276 [e]	472,457
1971–72	1,991,992	193	1,992,185	452,033
1970–71	1,796,956	186	1,797,142	437,731
1969–70	1,751,658	171	1,751,829	420,766
1968–69	1,634,612	156	1,634,768	412,563
1967–68	1,389,943 [f]	145	1,390,088 [f]	399,100
1966–67	1,053,251	138	1,053,389	395,321
1965–66	1,096,165 [g]	145	1,096,310 [g]	389,115
1964–65	939,651	146	939,797	377,746
1963–64	876,946	128	877,074	369,261
1962–63	813,313	120	813,433	360,976
1961–62	749,375	117	749,492	353,520
1960–61	710,931	119	711,050	351,727
1959–60	709,749	118	709,867	342,322
1958–59	631,409	115	631,524	333,998
1957–58	605,208	102	605,310	326,124
1956–57	599,789	102	599,891	320,486
1955–56 [h]	564,348	103	564,451	310,780
1954–55	492,879	108	492,987	305,537
1953–54	464,969	107	465,076	298,108
1952–53	460,196	98	460,294	289,620
1951–52	417,326	95	417,421	285,659
1950–51	398,261	101	398,362	285,598
1945–50	1,316,653 [i]	615	1,317,268 [i]	270,231
1940–45	665,100 [j]	303	665,403 [j]	179,067
1935–40	426,422 [k]	518 [l]	426,940 [k]	186,473 [m]
1933–35	89,661 [n]	282	89,943 [n]	185,748

[a] Collections include taxes, fees, interest, and penalties less refunds. Tax collections in one quarter are based mainly on taxable transactions during the preceding quarter. Transfers from the Motor Vehicle Fuel Fund of sales taxes on gasoline subject to refund of fuel tax are included.

[b] The $1 fee for issuance of a seller's permit was eliminated effective July 1, 1966, and the reinstatement fee for a revoked permit was set at $15. Prior to that date, a $25 fee was required for reinstatement of a permit revoked for the third time within any two-year period.

[c] As of December 31 for each fiscal year.

[d] Effective July 1, 1973, the state tax rate was increased from 3¾ percent to 4¾ percent. On October 1, 1973 the tax rate was reduced to 3¾ percent for six months. Effective April 1, 1974 the tax rate was again increased to 4¾ percent.

[e] Effective July 1, 1972, the state tax rate was decreased from 4 percent to 3¾ percent.

[f] Effective August 1, 1967, the state tax rate was increased from 3 percent to 4 percent.

[g] Includes almost $100 million resulting from legislation effective August 1, 1965, requiring some 24,000 taxpayers with monthly taxable sales of $17,000 or more to prepay their quarterly sales and use tax.

[h] The Board began to administer the Bradley-Burns Local Sales and Use Tax Law effective April 1, 1956, at a rate of 1 percent. The law provided for local option and thus it was not adopted by all cities and counties until January 1, 1962. See Table 21C for details.

[i] Effective July 1, 1949, the tax rate was increased from 2¼ percent to 3 percent.

[j] Effective July 1, 1943, the tax rate was reduced from 3 percent to 2¼ percent and substantial additions were made to the list of exempt transactions.

[k] Effective July 1, 1935, the tax rate was increased from 2¼ percent to 3 percent; sales of food for human consumption, except when served as meals, were exempted; and a 3 percent use tax was imposed.

[l] All outstanding licenses expired on July 31, 1935, and were reissued only after payment of a fee of $1 if renewed on or before July 31st and $1.50 if renewed thereafter.

[m] Effective July 1, 1939, all persons selling tangible personal property of a kind whose retail sale is subject to tax were required to secure a permit for each of their outlets, whether or not they engaged in the business of making retail sales. Prior to this time, only retailers were required to secure permits.

[n] The state sales tax was first imposed August 1, 1933 at a rate of 2¼ percent.

TABLE 19—STATE SALES AND USE TAX STATISTICS, BY TYPE OF BUSINESS, 1983–84

Type of business	Taxable transactions [a]			State sales tax (in thousands)	Number of permits on June 30, 1984 [b]
	Amount (in thousands)	Percent of total	Percent change from year to year		
1	2	3	4	5	6
Retail Stores					
Women's apparel	$2,038,725	1.11	9.8	$96,839	8,312
Men's apparel	975,353	0.53	6.6	46,329	2,645
Family apparel	1,456,337	0.79	4.9	69,176	4,701
Shoes	1,415,896	0.77	17.2	67,255	4,273
Apparel stores group	5,886,311	3.21	9.6	279,600	19,931
Limited-price variety	559,047	0.30	3.4	26,555	912
Department and dry goods	14,888,411	8.11	16.5	707,200	3,580
Drug stores [c]	3,374,440	1.84	7.4	160,286	4,381
Other general merchandise	480,086	0.26	3.4	22,804	1,509
General merchandise stores	19,301,984	10.51	14.1	916,844	10,382
Gifts, art goods, and novelties	712,983	0.39	13.5	33,867	7,384
Sporting goods	1,029,669	0.56	10.9	48,909	4,553
Florists	415,565	0.23	15.4	19,739	3,603
Photographic equipment and supplies	400,907	0.22	8.1	19,043	1,010
Musical instruments	1,097,337	0.60	14.8	52,124	2,631
Stationery and books	1,543,536	0.84	15.0	73,318	5,587
Jewelry	959,925	0.52	15.9	45,596	4,328
Office, store, and school supplies	4,353,423	2.37	16.2	206,788	5,058
Other specialties	3,237,362	1.76	22.6	153,775	21,606
Specialty stores group	13,750,707	7.49	16.5	653,159	55,760
Food stores selling all types of liquors [c]	8,635,219	4.70	7.9	410,173	4,654
All other food stores [c]	2,843,958	1.55	9.5	135,088	16,987
Packaged liquor stores	1,972,045	1.07	0.8	93,672	5,712
Eating places: no alcoholic beverages	5,862,065	3.19	11.8	278,448	26,789
Eating places: beer and wine	3,503,311	1.91	13.5	166,407	18,110
Eating and drinking: all types of liquor	6,001,515	3.27	9.6	285,072	11,207
Eating and drinking group	15,366,891	8.37	11.3	729,927	56,106
Household and home furnishings	3,408,174	1.86	21.6	161,888	15,164
Household appliance dealers	2,307,632	1.26	18.0	109,613	4,361
Second-hand merchandise	198,692	0.11	7.4	9,438	4,022
Farm implement dealers	1,122,824	0.61	27.5	53,334	1,127
Farm and garden supply stores	1,006,046	0.55	14.4	47,787	3,481
Fuel and ice dealers	325,150	0.18	−3.4	15,445	732
Lumber and building materials	4,612,933	2.51	41.9	219,114	3,861
Hardware stores	1,557,047	0.85	13.1	73,960	2,217
Plumbing and electrical supplies	897,605	0.49	28.6	42,636	1,354
Paint, glass, and wallpaper	778,329	0.42	20.9	36,971	1,939
Building material group	7,845,914	4.27	31.5	372,681	9,371
New motor vehicle dealers	17,944,013	9.77	28.8	852,341	2,427
Used motor vehicle dealers	1,136,546	0.62	29.7	53,986	3,856
Automotive supplies and parts	2,573,904	1.40	8.3	122,260	8,138
Service stations	13,880,274	7.56	4.0	659,313	14,049
Mobile homes, trailers, and campers	747,227	0.41	25.2	35,493	1,252
Boat, motorcycle, and plane dealers	1,142,626	0.62	17.7	54,275	2,596
Automotive group	37,424,590	20.39	16.6	1,777,668	32,318
Retail Stores Totals	$121,396,137	66.13	15.0	$5,766,317	240,108
Business and Personal Services	7,490,354	4.08	18.4	355,792	88,839
All Other Outlets	54,686,053	29.79	17.5	2,597,588	454,771
Totals All Outlets	$183,572,544	100.00	15.9	$8,719,696 [d]	783,718
HISTORICAL DATA					
Comparable data for all outlets:					
1982–83	$158,434,757	—	2.1	$7,525,651	764,815
1981–82	155,124,201	—	4.0	7,368,400	740,577
1980–81	149,106,635	—	7.8	7,086,840	698,080
1979–80	138,350,647	—	13.5	6,571,656	673,679

[a] Sales or purchases made with minor exceptions during the fiscal year as reported on returns received from Aug. 5, 1983 through Aug. 6, 1984.

[b] A separate permit is required for each outlet of each person selling tangible personal property of a kind whose retail sale is subject to tax.

[c] Only sales subject to sales and use tax are tabulated. Excluded are sales of food for home consumption and prescription medicines.

[d] In addition, the Board assessed state taxes of $175,174,000 and penalties and interest of $39,353,000.

TABLE 20—STATE SALES AND USE TAX STATISTICS, BY COUNTY, 1983–84

County	Taxable sales of retail stores (in thousands)	Taxable sales of all outlets [a]			State tax (in thousands)	Number of permits on June 30, 1984 [b]
		Amount (in thousands)	Percent of total	Percent change from 1982–83		
1	2	3	4	5	6	7
Alameda	$5,532,334	$8,611,542	4.69	16.7	$409,048	35,434
Alpine	3,085	7,556	[c]	[c]	359	47
Amador	83,236	113,464	0.06	24.6	5,390	1,189
Butte	687,577	879,601	0.48	15.0	41,781	5,129
Calaveras	60,147	86,440	0.05	9.5	4,106	1,061
Colusa	55,886	109,194	0.06	14.2	5,139	480
Contra Costa	3,463,590	4,618,081	2.52	13.2	219,359	19,292
Del Norte	55,227	77,268	0.04	7.6	3,670	757
El Dorado	384,571	493,330	0.27	17.2	23,433	4,031
Fresno	2,724,535	3,801,341	2.07	14.3	180,564	15,185
Glenn	74,354	117,030	0.06	10.4	5,559	685
Humboldt	497,213	671,398	0.37	14.0	31,891	4,264
Imperial	374,680	526,932	0.29	10.0	25,029	2,697
Inyo	105,356	143,637	0.08	3.8	6,823	858
Kern	2,217,706	3,539,515	1.93	13.5	168,127	11,927
Kings	327,453	425,974	0.23	10.2	20,234	1,790
Lake	151,521	230,404	0.12	22.6	10,469	1,373
Lassen	64,880	97,564	0.05	11.4	4,634	861
Los Angeles	35,950,977	54,774,487	29.84	12.7	2,601,786	237,369
Madera	219,946	358,943	0.20	14.8	17,050	1,906
Marin	1,231,007	1,652,048	0.90	16.5	78,472	9,614
Mariposa	23,511	67,272	0.04	13.3	3,195	511
Mendocino	324,127	443,063	0.24	15.8	21,045	3,009
Merced	526,166	738,192	0.40	16.4	35,064	3,092
Modoc	29,413	41,964	0.02	9.2	1,993	382
Mono	58,766	81,190	0.04	−3.4	3,857	582
Monterey	1,435,638	1,908,291	1.04	17.1	90,644	8,435
Napa	434,462	624,292	0.34	15.6	29,654	3,384
Nevada	230,128	328,927	0.18	19.2	15,624	2,877
Orange	11,517,755	17,581,666	9.58	20.2	835,129	74,719
Placer	709,776	923,092	0.50	21.3	43,847	4,817
Plumas	65,963	89,647	0.05	15.3	4,258	981
Riverside	3,478,419	4,611,537	2.51	22.4	219,048	22,548
Sacramento	4,399,027	6,068,532	3.32	17.0	289,205	23,300
San Benito	79,368	130,800	0.07	21.5	6,213	688
San Bernardino	4,209,076	5,713,100	3.11	18.0	271,372	29,977
San Diego	9,185,046	12,864,348	7.01	17.2	611,037	54,312
San Francisco	4,033,319	6,327,660	3.45	9.8	300,564	29,003
San Joaquin	1,700,637	2,384,953	1.30	16.9	113,285	8,884
San Luis Obispo	836,986	1,085,398	0.59	21.8	51,556	6,388
San Mateo	3,499,114	5,567,226	3.03	16.1	264,443	19,661
Santa Barbara	1,617,634	2,222,784	1.21	16.1	105,582	11,741
Santa Clara	7,886,802	12,958,453	7.06	21.8	615,527	41,296
Santa Cruz	921,348	1,193,406	0.65	16.9	56,687	7,233
Shasta	618,795	826,171	0.45	15.4	39,243	4,459
Sierra	6,447	10,749	0.01	20.1	511	141
Siskiyou	145,766	207,899	0.11	15.2	9,875	1,727
Solano	1,037,657	1,328,144	0.72	16.0	63,067	5,736
Sonoma	1,620,920	2,268,471	1.24	24.4	107,752	11,327
Stanislaus	1,329,537	1,831,542	1.00	11.9	86,998	8,070
Sutter	248,543	326,991	0.18	16.9	15,532	1,602
Tehama	165,805	210,265	0.11	8.7	9,968	1,293
Trinity	29,340	41,520	0.02	16.6	1,972	542
Tulare	1,061,955	1,481,330	0.81	11.0	70,363	7,001
Tuolumne	139,622	185,367	0.10	13.7	8,805	1,966
Ventura	2,550,167	3,405,222	1.85	21.1	161,748	15,804
Yolo	511,509	797,684	0.43	9.8	37,890	3,151
Yuba	173,188	226,003	0.12	8.7	10,735	1,440
Statewide	289,124	5,124,642	2.79	17.5	243,430	5,490
Totals	$121,396,137	$183,572,544	100.00	15.9	$8,719,693	783,718

[a] Sales or purchases made, with minor exceptions, during the fiscal year, as reported on returns received from Aug. 5, 1983 through Aug. 6, 1984.

[b] A separate permit is required for each outlet at which retail sales are made of any kind of tangible personal property which is subject to tax.

[c] Percentage change not shown for Alpine County because its small base, 0.004% of the statewide total, is subject to violent fluctuations that are not regarded as significant.

[d] In addition, the Board assessed state taxes of $175,174,000 and penalties and interest of $39,353,000.

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1983–84

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Alameda County	8,338,942	356,659
Alameda	2,874,320	160,798
Albany	857,417	40,345
Berkeley	6,993,663	301,694
Dublin	3,260,601	91,229
Emeryville	2,195,852	48,758
Fremont	8,433,751	377,877
Hayward	10,854,681	361,846
Livermore	1,980,794	116,921
Newark	2,687,715	105,467
Oakland	22,432,899	980,005
Piedmont	69,760	17,750
Pleasanton	2,771,809	109,717
San Leandro	10,486,719	313,813
Union City	1,771,921	100,891
Total	86,010,844	3,482,770
Alpine County	83,722	3,599
Amador County	429,004	17,179
Amador	5,280	321
Ione	72,521	4,944
Jackson	395,055	11,602
Plymouth	27,248	1,646
Sutter Creek	166,405	6,035
Total	1,095,513	41,727
Butte County	2,637,197	112,207
Biggs	12,640	2,492
Chico	3,351,738	109,335
Gridley	414,434	14,397
Oroville	1,660,336	46,737
Paradise	840,417	53,021
Total	8,916,762	338,189
Calaveras County	637,552	26,944
Angels	245,509	8,294
Total	883,061	35,238
Colusa County	388,912	16,765
Colusa	492,976	15,757
Williams	152,414	5,636
Total	1,034 302	38,158
Contra Costa County	6,646,331	295,791
Antioch	2,526,755	121,111
Brentwood	233,427	12,417
Clayton	61,038	8,206
Concord	11,009,865	373,490
Danville	1,091,483	100,887
El Cerrito	1,440,655	63,891
Hercules	28,701	11,188
Lafayette	1,137,728	62,736
Martinez	906,997	55,646
Moraga	396,679	31,106
Pinole	895,918	40,280
Pittsburg	1,248,678	81,165
Pleasant Hill	3,524,036	110,351
Richmond	6,068,323	241,180
San Pablo	1,470,512	61,700
San Ramon [a]	1,041,251	64,065
Walnut Creek	7,029,610	227,263
Total	46,777,987	1,962,473
Del Norte County	256,306	10,718
Crescent City	530,056	15,190
Total	786,362	25,908
El Dorado County	1,707,109	70,302
Placerville	1,317,873	36,338
South Lake Tahoe	1,892,529	71,046
Total	4,917,511	177,686
Fresno County	5,314,621	239,365
Clovis	2,376,667	102,805
Coalinga	520,307	21,564
Firebaugh	339,320	12,610
Fowler	165,581	7,333
Fresno	25,896,016	898,835
Huron	104,055	7,156
Kerman	384,175	13,537
Kingsburg	262,079	14,085
Mendota	219,854	13,561
Orange Cove	99,005	8,656
Parlier	98,809	11,294
Reedley	771,511	34,314
Sanger	743,728	34,711
San Joaquin	122,154	5,640
Selma	1,191,748	41,244
Total	38,609,630	1,466,710
Glenn County	377,585	16,088
Orland	396,459	14,514
Willows	388,140	15,266
Total	1,162,184	45,868
Humboldt County	1,368,754	58,988
Arcata	790,209	37,688
Blue Lake	8,683	2,098
Eureka	3,885,150	112,663
Ferndale	63,661	3,635
Fortuna	579,313	23,633
Rio Dell	53,566	5,399
Trinidad	28,662	1,225
Total	6,777,998	245,329
Imperial County	958,583	41,562
Brawley	954,750	45,501
Calexico	880,234	41,449
Calipatria	116,375	6,535
El Centro	1,989,621	79,741
Holtville	113,388	9,470
Imperial	212,381	9,832
Westmorland	50,892	3,757
Total	5,276,224	237,847
Inyo County	587,776	25,532
Bishop	895,416	23,204
Total	1,483,192	48,736
Kern County	14,312,030	592,288
Arvin	276,526	16,785
Bakersfield	16,838,335	525,753
California City	32,430	5,236
Delano	1,129,348	51,169
Maricopa	40,552	2,549
McFarland	98,034	10,993
Ridgecrest	1,192,158	56,802
Shafter	400,294	19,506
Taft	1,044,399	30,228
Tehachapi	576,435	17,578
Wasco	412,342	24,615
Total	36,352,883	1,353,502
Kings County	1,174,791	49,906
Avenal	118,303	8,892
Corcoran	464,166	20,026
Hanford	2,074,049	76,836
Lemoore	427,003	24,220
Total	4,258,312	179,882
Lake County	1,111,883	46,983
Clearlake	504,923	30,312
Lakeport	518,862	15,915
Total	2,135,668	93,210
Lassen County	337,569	15,132
Susanville	611,164	22,094
Total	948,733	37,226
Los Angeles County	35,931,963	1,549,170
Agoura Hills	697,588	198,502
Alhambra	4,737,398	44,668
Arcadia	4,803,303	166,879
Artesia	877,617	39,310
Avalon	259,583	8,410
Azusa	1,989,351	87,136
Baldwin Park	1,370,171	112,242
Bell	1,024,661	61,797
Bellflower	3,193,967	148,850
Bell Gardens	948,669	75,692
Beverly Hills	8,246,418	210,517
Bradbury	311	1,329
Burbank	8,386,287	304,044
Carson	8,923,367	302,810
Cerritos	9,642,621	267,415
Claremont	883,968	70,361
Commerce	10,872,967	240,364
Compton	2,845,332	187,707
Covina	4,581,562	153,082
Cudahy	714,266	42,924
Culver City	7,571,853	389,781
Downey	7,744,102	280,843
Duarte	454,417	39,072
El Monte	6,358,468	257,821
El Segundo	2,985,225	78,821
Gardena	4,163,633	154,544
Glendale	13,279,808	485,696
Glendora	2,549,363	113,431
Hawaiian Gardens	408,557	27,067
Hawthorne	5,386,813	196,269
Hermosa Beach	1,116,729	50,594
Hidden Hills	8,425	3,003
Huntington Park	2,678,211	128,942
Industry	10,192,424	195,797
Inglewood	5,610,472	261,526
Irwindale	1,490,738	30,239
La Canada Flintridge	981,439	51,119
La Habra Heights	22,363	8,211
Lakewood	4,916,224	212,170
La Mirada	2,641,439	116,161
Lancaster	4,807,522	175,334
La Puente	1,385,342	75,636
La Verne	878,534	57,028
Lawndale	1,404,819	65,590
Lomita	751,397	44,496
Long Beach	21,436,801	1,002,616
Los Angeles	208,514,462	13,188,590
Lynwood	1,708,799	113,529
Manhattan Beach	2,649,114	104,221
Maywood	521,528	46,523
Monrovia	2,551,287	98,776
Montebello	4,128,006	166,085
Monterey Park	2,596,611	141,764
Norwalk	4,989,303	234,517
Palmdale	1,009,955	42,887
Palos Verdes Estates	162,557	25,904
Paramount	3,100,435	122,306
Pasadena	12,243,113	430,303
Pico Rivera	3,283,424	146,785
Pomona	6,725 114	292,691
Rancho Palos Verdes	686,122	88,725
Redondo Beach	3,792,268	166,730
Rolling Hills	21,207	3,667
Rolling Hills Estates	1,237,701	35,479
Rosemead	1,959,582	108,284
San Dimas	950,477	59,363
San Fernando	1,340,574	55,558
San Gabriel	2,351,700	95,144
San Marino	294,446	26,564
Santa Fe Springs	8,548,232	188,579
Santa Monica	11,163,185	590,975
Sierra Madre	147,281	19,842
Signal Hill	2,650,060	62,497

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1983–84—Continued

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
Los Angeles County —Continued		
South El Monte	2,357,355	73,485
South Gate	3,405,916	178,017
South Pasadena	926,988	54,789
Temple City	1,172,851	70,304
Torrance	16,728,168	531,572
Vernon	4,085,117	83,075
Walnut	242,983	26,068
West Covina	6,488,237	264,852
Westlake Village	841,711	33,568
Whittier	6,369,294	232,555
Total	554,101,651	26,979,589
Madera County	1,583,752	66,592
Chowchilla	274,900	13,632
Madera	1,694,014	71,503
Total	3,552,666	151,747
Marin County	1,478,018	64,255
Belvedere	56,665	4,856
Corte Madera	1,150,063	35,445
Fairfax	213,934	15,772
Larkspur	929,032	36,140
Mill Valley	1,221,027	43,355
Novato	2,113,126	110,972
Ross	39,811	5,159
San Anselmo	611,720	30,796
San Rafael	7,394,964	211,807
Sausalito	1,096,680	33,056
Tiburon	225,218	14,895
Total	16,532,256	606,508
Mariposa County	669,354	28,509
Mendocino County	1,623,765	68,914
Fort Bragg	739,407	22,291
Point Arena	23,260	1,129
Ukiah	1,548,490	50,062
Willits	490,555	15,789
Total	4,425,477	158,185
Merced County	1,950,572	82,047
Atwater	469,750	38,226
Dos Palos	197,467	9,191
Gustine	107,216	7,482
Livingston	158,732	12,227
Los Banos	823,268	33,468
Merced	3,736,897	137,409
Total	7,443,902	320,070
Modoc County	149,380	7,411
Alturas	280,146	10,466
Total	429,526	17,877
Mono County	824,592	37,622
Monterey County	2,524,955	106,380
Carmel	1,154,136	30,424
Del Rey Oaks	91,918	4,343
Gonzales	108,799	7,058
Greenfield	174,214	10,535
King City	453,421	17,790
Marina	352,011	47,130
Monterey	2,955,065	99,772
Pacific Grove	818,252	41,151
Salinas	7,737,826	282,285
Sand City	143,250	2,899
Seaside	2,002,436	97,519
Soledad	124,618	12,117
Total	18,640,921	759,403
Napa County	2,382,745	98,622
Calistoga	197,043	10,007
Napa	3,148,032	144,672
St. Helena	496,007	17,453
Yountville	115,166	7,074
Total	6,338,993	277,828
Nevada County	1,984,694	83,096
Grass Valley	1,034,202	31,769
Nevada City	294,809	9,548
Total	3,313,705	124,413
Orange County	13,160,369	532,738
Anaheim	23,881,640	818,783
Brea	4,232,690	130,458
Buena Park	7,712,026	249,439
Costa Mesa	15,556,327	431,628
Cypress	1,966,601	103,567
Fountain Valley	2,794,202	140,456
Fullerton	8,441,656	328,978
Garden Grove	9,024,796	372,780
Huntington Beach	12,441,981	517,540
Irvine	11,542,395	332,421
Laguna Beach	1,349,073	55,123
La Habra	2,938,566	131,148
La Palma	387,143	32,315
Los Alamitos	1,391,876	45,560
Newport Beach	8,086,794	258,046
Orange	11,720,279	372,957
Placentia	1,893,439	93,609
San Clemente	1,421,202	72,938
San Juan Capistrano	1,193,501	56,092
Santa Ana	19,413,941	711,637
Seal Beach	991,378	60,583
Stanton	1,689,151	72,199
Tustin	4,428,193	147,210
Villa Park	133,644	13,874
Westminster	6,372,197	236,014
Yorba Linda	672,530	63,586
Total	174,837,640	6,401,679
Placer County	3,629,250	152,670
Auburn	1,207,242	36,213
Colfax	203,094	5,580
Lincoln	261,882	11,992
Rocklin	379,387	19,993
Roseville	3,598,968	109,926
Total	9,279,823	336,374
Plumas County	845,825	34,943
Portola	87,001	4,764
Total	932,826	39,707
Riverside County	8,965,326	376,419
Banning	741,874	38,701
Beaumont	616,690	24,161
Blythe	840,830	27,899
Cathedral City	1,877,730	58,589
Coachella	499,388	27,736
Corona	3,385,410	128,237
Desert Hot Springs	252,720	16,493
Hemet	2,395,740	85,602
Indian Wells	174,012	6,031
Indio	2,560,496	90,780
Lake Elsinore	665,606	25,415
La Quinta	286,366	16,231
Norco	489,660	44,330
Palm Desert	1,891,440	54,831
Palm Springs	3,916,957	134,701
Perris	461,417	20,964
Riverside County —Continued		
Rancho Mirage	1,100,962	32,198
Riverside	14,037,235	542,591
San Jacinto	327,794	19,842
Total	45,487,653	1,771,751
Sacramento County	35,781,798	1,509,233
Folsom	783,259	36,657
Galt	267,482	14,067
Isleton	59,696	2,505
Sacramento	23,868,606	921,688
Total	60,760,841	2,484,150
San Benito County	353,792	13,742
Hollister	861,159	37,755
San Juan Bautista	63,192	3,358
Total	1,278,143	54,855
San Bernardino County	10,668,141	443,535
Adelanto	47,569	5,284
Barstow	1,807,474	65,282
Big Bear Lake	614,969	26,397
Chino	2,250,230	112,109
Colton	2,738,690	97,319
Fontana	2,328,099	113,054
Grand Terrace	193,849	18,509
Loma Linda	220,477	22,622
Montclair	3,836,839	112,021
Needles	342,641	13,699
Ontario	6,624,577	281,861
Rancho Cucamonga	2,332,730	138,726
Redlands	2,707,340	129,396
Rialto	1,679,908	99,649
San Bernardino	12,996,368	454,312
Upland	3,436,557	144,892
Victorville	2,771,080	81,074
Total	57,597,538	2,359,741
San Diego County	10,768,552	455,124
Carlsbad	4,828,583	154,318
Chula Vista	4,947,834	235,961
Coronado	703,766	45,363
Del Mar	410,708	15,996
El Cajon	8,262,383	284,173
Escondido	7,774,219	261,908
Imperial Beach	390,880	44,271
La Mesa	5,085,659	180,862
Lemon Grove	1,381,767	61,485
National City	6,638,866	211,238
Oceanside	3,920,799	207,544
Poway	1,525,039	109,351
San Diego	65,649,007	2,720,903
San Marcos	2,018,161	66,957
Santee	2,070,386	134,604
Vista	1,588,950	94,746
Total	127,965,559	5,284,804
City and County of San Francisco	64,556,500	2,776,467
San Joaquin County	4,613,250	196,331
Escalon	228,687	9,892
Lodi	3,246,908	121,909
Manteca	1,736,130	75,748
Ripon	112,254	8,806
Stockton	12,640,299	508,151
Tracy	1,095,760	53,337
Total	23,673,288	974,174

TABLE 21A—REVENUES DISTRIBUTED TO CITIES AND COUNTIES FROM LOCAL SALES AND USE TAXES AND THE STATE CIGARETTE TAX, 1983–84—Concluded

(In dollars)

Jurisdiction	Revenue distributed	
	Local sales and use taxes	State cigarette tax
1	2	3
San Luis Obispo County	1,906,174	80,930
Arroyo Grande	397,579	38,025
Atascadero	1,092,178	48,564
Grover City	392,966	42,836
Morro Bay	696,724	21,855
Paso Robles	1,348,677	28,395
Pismo Beach	429,379	17,276
San Luis Obispo	4,091,393	134,805
Total	10,955,070	412,686
San Mateo County	7,515,026	327,643
Atherton	43,255	13,062
Belmont	855,501	54,849
Brisbane	870,115	20,239
Burlingame	5,189,308	138,645
Colma	1,835,721	35,822
Daly City	4,865,101	224,096
East Palo Alto [a]	83,377	42,880
Foster City	991,157	56,073
Half Moon Bay	438,400	19,910
Hillsborough	52,139	17,701
Menlo Park	2,723,420	95,501
Millbrae	1,539,116	62,537
Pacifica	721,126	71,697
Portola Valley	65,715	7,590
Redwood City	6,014,789	202,752
San Bruno	3,166,380	117,772
San Carlos	2,524,040	91,481
San Mateo	8,830,848	291,967
S. San Francisco	6,899,782	214,494
Woodside	155,479	11,352
Total	55,379,789	2,118,063
Santa Barbara County	5,306,319	228,926
Carpinteria	557,152	28,354
Guadalupe	109,099	8,671
Lompoc	1,531,408	73,745
Santa Barbara	8,948,636	291,930
Santa Maria	5,564,558	178,228
Total	22,017,172	809,854
Santa Clara County	14,162,544	593,496
Campbell	4,352,612	134,887
Cupertino	5,846,618	169,426
Gilroy	1,886,778	74,920
Los Altos	1,476,722	71,658
Los Altos Hills	86,439	13,604
Los Gatos	3,215,107	103,065
Milpitas	3,144,858	122,264
Monte Sereno	2,099	5,466
Morgan Hill	855,383	45,204
Mountain View	7,686,523	243,480
Palo Alto	10,152,655	284,712
San Jose	44,553,822	1,901,120
Santa Clara	17,879,328	474,488
Saratoga	657,718	59,572
Sunnyvale	13,601,709	432,080
Total	129,560,915	4,729,442
Santa Cruz County	3,149,188	132,627
Capitola	1,634,020	46,332
Santa Cruz	4,392,188	151,761
Scotts Valley	744,975	25,225
Watsonville	2,128,436	79,478
Total	12,048,807	435,423
Shasta County	1,762,724	74,039
Anderson	469,102	20,318
Redding	6,117,197	191,241
Total	8,349,023	285,598
Sierra County	68,901	2,772
Loyalton	38,908	2,501
Total	107,809	5,273
Siskiyou County	476,336	19,701
Dorris	21,015	1,778
Dunsmuir	74,262	4,941
Etna	35,049	1,877
Fort Jones	44,322	1,711
Montague	41,234	2,991
Mount Shasta	295,485	10,136
Tulelake	53,510	2,344
Weed	203,308	8,543
Yreka	826,557	26,329
Total	2,071,078	80,351
Solano County	810,699	35,776
Benicia	852,414	45,384
Dixon	437,802	22,576
Fairfield	4,335,483	182,000
Rio Vista	463,859	14,506
Suisun	348,362	26,479
Vacaville	1,847,007	109,561
Vallejo	4,378,407	220,479
Total	13,474,033	656,761
Sonoma County	6,563,234	285,040
Cloverdale	192,157	10,338
Cotati	359,001	13,255
Healdsburg	1,069,396	32,310
Petaluma	2,604,228	106,338
Rohnert Park	958,339	59,098
Santa Rosa	9,202,040	312,010
Sebastopol	582,301	20,346
Sonoma	649,669	23,251
Total	22,180,365	861,986
Stanislaus County	4,178,832	178,905
Ceres	1,102,554	44,422
Hughson	121,003	7,234
Modesto	9,322,014	371,277
Newman	178,788	8,885
Oakdale	706,006	28,165
Patterson	259,720	12,080
Riverbank	202,651	13,595
Turlock	2,069,958	88,459
Waterford	80,520	6,188
Total	18,224,146	759,210
Sutter County	988,169	40,794
Live Oak	73,688	7,310
Yuba City	2,197,906	74,289
Total	3,259,763	122,393
Tehama County	497,010	21,343
Corning	618,402	20,040
Red Bluff	1,054,025	37,074
Tehama	550	612
Total	2,170,017	79,069
Trinity County	408,704	17,623
Tulare County	3,875,767	167,946
Dinuba	497,081	26,293
Exeter	259,302	14,381
Farmersville	101,040	11,269
Lindsay	344,040	17,798
Porterville	1,898,462	72,247
Tulare	1,856,648	74,505
Visalia	6,103,206	205,862
Woodlake	114,366	10,573
Total	15,049,912	600,874
Tuolumne County	1,132,306	48,023
Sonora	713,360	20,188
Total	1,845,668	68,211
Ventura County	3,582,063	151,713
Camarillo	1,855,555	101,700
Fillmore	349,410	22,478
Moorpark [a]	97,706	21,826
Ojai	462,227	20,552
Oxnard	6,884,216	318,545
Port Hueneme	459,173	38,594
Santa Paula	790,150	296,784
Simi Valley	3,279,624	48,969
Thousand Oaks	7,415,684	192,605
Ventura	8,583,933	285,391
Total	33,759,741	1,499,157
Yolo County	4,179,395	177,577
Davis	1,647,149	92,417
Winters	77,076	6,180
Woodland	2,068,833	90,253
Total	7,972,453	366,427
Yuba County	868,438	37,904
Marysville	1,393,140	43,684
Wheatland	30,577	3,099
Total	2,292,155	84,687
Amounts distributed to:		
City and County of San Francisco	64,556,500	2,776,467
Counties other than San Francisco	247,990,591	10,546,141
Cities other than San Francisco	1,478,733,268	62,429,995
Grand totals	1,791,280,359	75,752,603

[a] During the fiscal year, sales tax ordinances went into effect in three cities. Those cities, the effective date of their sales tax ordinances, and the number of months of sales tax distributions they received during 1983–84 are as follows:

East Palo Alto; October 1, 1983; 7 months
Moorpark; October 1, 1983; 7 months
San Ramon; October 1, 1983; 7 months

Note: Detail may not add to total due to rounding.

TABLE 21B—REVENUES DISTRIBUTED TO COUNTIES FROM COUNTY TRANSPORTATION TAX,[a] 1983–84

County	Revenue distributed[b]	County	Revenue distributed[b]	County	Revenue distributed[b]
1	2	1	2	1	2
Alameda	$21,606,887	Marin	$4,114,231	San Mateo	$13,805,781
Alpine	21,172	Mariposa	168,020	Santa Barbara	5,500,452
Amador	271,443	Mendocino	1,099,696	Santa Clara	32,331,190
Butte	2,230,555	Merced	1,850,589	Santa Cruz	3,024,023
Calaveras	216,906	Modoc	105,267	Shasta	2,077,118
Colusa	258,643	Mono	205,449	Sierra	26,961
Contra Costa	11,714,045	Monterey	4,736,177	Siskiyou	518,040
Del Norte	192,862	Napa	1,582,908	Solano	3,354,726
El Dorado	1,220,839	Nevada	821,389	Sonoma	5,536,953
Fresno	9,638,246	Orange	43,698,468	Stanislaus	4,549,880
Glenn	289,400	Placer	2,310,589	Sutter	813,773
Humboldt	1,685,329	Plumas	231,090	Tehama	539,677
Imperial	1,302,704	Riverside	11,299,262	Trinity	102,518
Inyo	367,786	Sacramento	15,164,813	Tulare	3,776,141
Kern	8,964,465	San Benito	318,786	Tuolumne	463,503
Kings	1,059,422	San Bernardino	14,376,300	Ventura	8,388,061
Lake	530,859	San Diego	31,918,690	Yolo	1,994,273
Lassen	235,105	San Francisco	16,112,642	Yuba	573,100
Los Angeles	138,837,868	San Joaquin	5,904,262		
Madera	883,123	San Luis Obispo	2,728,405	Total	$447,670,862

[a] Effective July 1, 1972, a ¼ percent county sales tax was imposed. This revenue is to be used for transportation purposes in each county.

[b] These are actual payments to the counties and exclude the Board's administrative charge of $3,674,763 and the Business and Transportation Agency's administrative charge of $364,000.

TABLE 21C—LOCAL SALES AND USE TAX RATES IMPOSED BY CALIFORNIA CITIES ON JULY 1, 1984

County	City rate[a]	Cities	County	City rate[a]	Cities
1	2	3	1	2	3
Alameda	1.00	Dublin	Orange	1.00	All cities
	.95	All other cities	Placer	1.00	All cities
Alpine	—	No incorporated cities	Plumas	.95	Portola
Amador	1.00	All cities			
			Riverside	1.00	All cities
Butte	1.00	All cities	Sacramento	1.00	All cities
Calaveras	.95	Angels	San Benito	1.00	All cities
Colusa	1.00	All cities			
			San Bernardino	1.00	All cities
Contra Costa	.975	All cities	San Diego	1.00	All cities
Del Norte	1.00	All cities	San Francisco	1.00	—
El Dorado	1.00	All cities			
			San Joaquin	1.00	Stockton/Tracy
Fresno	.99	Fresno			Manteca/Lodi
	1.00	All other cities		.95	All other cities
Glenn	1.00	All cities	San Luis Obispo	1.00	All cities
Humboldt	1.00	All cities	San Mateo	.95	All cities
Imperial	1.00	All cities	Santa Barbara	1.00	All cities
Inyo	1.00	All cities	Santa Clara	.91	All cities
Kern	1.00	All cities	Santa Cruz	1.00	All cities
Kings	.95	Hanford	Shasta	1.00	All cities
	.98	All other cities	Sierra	.95	Loyalton
Lake	1.00	All cities	Siskiyou	1.00	All cities
Lassen	1.00	All cities			
			Solano	1.00	All cities
Los Angeles	1.00	All cities	Sonoma	.95	All cities
Madera	1.00	All cities	Stanislaus	.95	Modesto/Turlock
Marin	1.00	All cities		1.00	All other cities
Mariposa	—	No incorporated cities	Sutter	1.00	All cities
Mendocino	1.00	All cities	Tehama	1.00	Tehama
Merced	.925	Merced		.90	All other cities
	.95	Los Banos	Trinity	—	No incorporated cities
	1.00	All other cities			
			Tulare	.95	All cities
Modoc	.90	Alturas	Tuolumne	.95	Sonora
Mono	—	No incorporated cities	Ventura	1.00	Ojai
Monterey	1.00	All cities		.967	All other cities
Napa	.855	All cities	Yolo	1.00	All cities
Nevada	1.00	All cities	Yuba	1.00	All cities

[a] Each city's tax rate is credited against the county's one percent tax.

TABLE 22—LOCAL SALES TAXES, DISTRIBUTIONS AND ADMINISTRATIVE CHARGES TO CITIES AND COUNTIES, 1956–57 TO 1983–84

Fiscal year	Net amount distributed (in thousands)				Administrative cost rate per $100 collected [d]	Administrative charge [e] (in thousands)
	County transportation tax [a]	Local sales tax [b]				
		To counties [c]	To cities	Total		
1	2	3	4	5	6	7
1983–84	$447,671	$312,547	$1,478,733	$2,238,951	.82	$18,751
1982–83	391,367 [r]	282,212	1,279,151	1,952,730 [r]	.82	16,613
1981–82	392,756	289,469	1,282,420	1,964,645	.82	16,433
1980–81	361,886	272,741	1,176,000	1,810,629	.82	15,253
1979–80	340,922	255,372	1,108,417	1,704,711	.82	14,181
1978–79	296,051	220,403	962,997	1,479,451	.82	12,402
1977–78	257,221	192,488	837,756	1,287,465	.82	10,798
1976–77	219,309	167,516	709,664	1,096,489	.82	9,257
1975–76	190,348	147,670	618,406	956,424	.82	8,031
1974–75	172,343	136,047	559,337	867,727	.82	7,253
1973–74	158,087	124,964	513,282	796,333	.82	6,560
1972–73	110,010 [f]	105,678	447,986	663,674	.82 [g]	5,521
1971–72	—	91,117	387,977	479,094	1.01	4,891
1970–71	—	82,337	347,766	430,103	1.09	4,652
1969–70	—	80,691	345,626	426,317	1.10	4,696
1968–69	—	74,687	318,913	393,600	1.13	4,544
1967–68	—	73,227	300,530	373,757 [h]	1.23 [i]	4,926
1966–67	—	68,097	270,241	338,338	1.50	5,162
1965–66	—	64,337	254,851	319,188	1.53	4,871
1964–65	—	62,063	239,455	301,518	1.50	4,610
1963–64	—	59,242	222,908	282,150	1.53	4,386
1962–63	—	55,786 [j]	205,435	261,221 [j]	1.53	4,077
1961–62	—	53,763	186,881	240,644	1.57	3,856
1960–61	—	51,793	174,505	226,298	1.60	3,650
1959–60	—	52,396	162,749	215,143 [k]	1.50	3,348
1958–59	—	44,835	144,968	189,803 [l]	1.64	3,134
1957–58	—	29,473	132,442	161,915	1.72	2,837
1956–57	—	21,257	103,220	124,477	1.65	2,143

NOTE: Excludes distributions to rapid transit districts which were collected at the rate of ½ of one percent as follows:

Fiscal Year	BARTD [m]	SCRTD	SCCTD	SCMTD	LACTC	SMCTD	Administrative Charge
1983–84	$95,781,000	—	$62,787,000	$6,382,000	$257,444,000	$23,344,000	$7,331,000
1982–83	102,907,000	—	53,652,000	5,457,000	172,496,000	14,853,000	5,233,000
1981–82	87,974,000	—	49,514,000	5,017,000	—	—	2,252,000
1980–81	65,651,000	—	44,218,000	4,752,000	—	—	2,061,000
1979–80	74,536,000	$171	40,702,000	4,190,000	—	—	1,911,000
1978–79	50,740,000	172	33,396,000	1,037,000	—	—	1,587,000
1977–78	50,704,000	—	29,976,000	—	—	—	1,404,000
1976–77	47,368,000	1,000	12,897,000	—	—	—	985,817
1975–76	42,220,000	204,000	—	—	—	—	713,051
1974–75	30,622,000	401,000	—	—	—	—	668,594
1973–74	35,326,000	287,000	—	—	—	—	599,000
1972–73	31,055,000	288,000	—	—	—	—	585,000
1971–72	27,770,000	555,000	—	—	—	—	577,000
1970–71	24,580,000	35,980,000	—	—	—	—	1,333,000
1969–70	1,570,000	—	—	—	—	—	266,000

[a] Administrative charges by the Board of Equalization and the Business and Transportation Agency have been deducted. These amounted to $4,038,763 in 1983–84.

[b] Includes any administrative cost adjustment made during the fiscal year.

[c] Includes the City and County of San Francisco.

[d] Prior to July 1, 1972, the actual cost of collecting $100 in the fiscal year and the ultimate rate which cities and counties were charged.

[e] These are the amounts actually withheld. The exact charge for administration in any year cannot be computed from the rate shown in the previous column, because the tentative charge used to withhold funds is based on the effective rate in the prior fiscal year. Adjustments are deducted from the fiscal year to which they apply.

[f] Includes advances and payments for only ten months.

[g] Effective July 1, 1972, an administrative cost rate of 82 cents per $100 collected was set by law.

[h] Effective October 1, 1967, taxpayers who were required to prepay state sales and use tax were also required to prepay local sales and use tax. This resulted in a one-time windfall of $19,250,000 during the 1967–68 fiscal year.

[i] Additional revenue from the one-cent increase in the state sales tax rate effective August 1, 1967, resulted in a sharp reduction in the ratio.

[j] Excludes $595,317 that was collected in 1959–60 and impounded pending decision on litigation brought by the City of Commerce. This amount, plus accumulated interest, was distributed in 1962–63.

[k] Excludes $3,825,750 advanced to cities and counties in the 1958–59 fiscal year out of receipts that normally would have been distributed in the first quarter of the 1959–60 fiscal year. This sum was distributed to help local jurisdictions whose sales tax receipts were running below expectations because of the 1957–58 business recession.

[l] Includes the $3,825,750 discussed in the previous footnote.

[m] Effective January 1, 1978, 25 percent of the revenue collected under the Bay Area Rapid Transit District Sales Tax was earmarked for the Metropolitan Transportation Commission. (Collections are shown in Table E, footnote e.) The BARTD figures above include MTC allocations. For 1983–84, BARTD received direct allocations of $71,126,000 and $24,645,000 were allocated for MTC as follows: Alameda-Contra Costa Transit District, $12,319,000; San Francisco Municipal Railway, $12,275,000; and BARTD, $51,000.

[r] Revised.

TABLE 23—GASOLINE AND JET FUEL TAX STATISTICS, 1923–25 TO 1983–84

Fiscal year	Gasoline				Jet fuel tax	
	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)	Refunds (in thousands)	Tax-paying distributors on June 30 [b]	Taxable distributions (in thousands of gallons)	Revenue [a] (in thousands)
1	2	3	4	5	6	7
1983–84	11,378,375	$1,027,740 [l]	$19,086	154	41,025	$845
1982–83	10,941,848	877,130 [l]	17,139 [k]	145	37,471	703
1981–82	11,015,250	770,628 [k]	27,572	131	40,435	860
1980–81	11,185,862	787,106	25,987	102	43,713	891
1979–80	11,316,801	800,012	24,451	94	50,225	988
1978–79	11,916,829	835,947	21,716	77	46,422	915
1977–78	11,571,320	810,020	18,866	76	34,469	692
1976–77	10,995,557	769,978	15,775	84	27,445	551
1975–76	10,530,404	737,100	14,802	77	23,583	474
1974–75	10,141,120	709,899	13,347	72	20,494	411
1973–74	10,019,253	701,400	15,271	49	19,324	390
1972–73	10,223,905	715,683	15,244	49	17,941	360
1971–72	9,748,850	682,482	13,393	48	14,463	292
1970–71	9,232,664	646,312	13,401	58	12,043	245
1969–70	8,909,785	641,268 [c]	13,437	52	8,057 [d]	163 [d]
1968–69	8,494,055	601,783 [c]	14,596	53	—	—
1967–68	8,057,505	564,038	14,012	63	—	—
1966–67	7,649,738	535,488	15,560	59	—	—
1965–66	7,385,411	529,819 [e]	17,234	63	—	—
1964–65	7,041,337	510,954 [e]	15,981	61	—	—
1963–64	6,732,800	454,126 [f]	14,680	63	—	—
1962–63	6,331,380	379,883	14,846	71	—	—
1961–62	5,995,332	359,739	15,361	81	—	—
1960–61	5,794,324	347,668	17,268	80	—	—
1959–60	5,626,387 [g]	337,588 [g]	20,814	89	—	—
1958–59	5,404,848	324,295	21,410	88	—	—
1957–58	5,117,893	307,038	20,531	94	—	—
1956–57	4,932,752	295,982	20,786	100	—	—
1955–56	4,734,064	284,152	21,516	100	—	—
1954–55	4,424,151	265,576	26,192	102	—	—
1953–54	4,255,309	235,305 [h]	26,088	88	—	—
1952–53	4,156,557	187,047	19,175	90	—	—
1951–52	3,878,273	174,527	19,595	100	—	—
1950–51	3,589,902	161,551	15,339	112	—	—
1945–50	14,909,722	582,832 [i]	—	107		
1940–45	9,167,652	275,029	—	122	—	—
1935–40	8,594,082	258,845	—	142	—	—
1930–35	6,790,740	201,685	—	88	—	—
1925–30	5,351,580	139,925 [j]	—	82	—	—
1923–25	1,239,474	24,938	—	74	—	—

[a] Includes self-assessed taxes, tax deficiencies, interest and penalties. Refunds for nonhighway use (column 4) have not been deducted.

[b] In addition, on June 30, 1964 there were 87 fully-licensed distributors who incurred no tax liabilities during the year.

[c] A special one-cent levy was in effect from June 1, 1960 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $7.2 million from distributions during the 1968–69 fiscal year and $15.5 million during the 1969–70 fiscal year. No storage tax was imposed.

[d] The aircraft jet fuel tax levied at the rate of two cents per gallon on jet aircraft fuel used in general aviation became operative December 1, 1960 under the Motor Vehicle Fuel License Tax Law.

[e] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads in the northwestern part of the state. This levy raised $13.2 million from distributions during the 1964–65 fiscal year (excluding the storage tax of $1,136,000 including interest and penalties) and $12.8 million during the 1965–66 fiscal year (excluding the storage tax refund of $1,131,000).

[f] Effective October 1, 1963, the tax rate was increased from 6 cents to 7 cents per gallon. Receipts from the one cent per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $1,125,367, including interest and penalties.

[g] Effective October 1, 1959, liquefied petroleum gases were excluded from the definition of a "motor vehicle fuel." Since that date, vendors and users of this fuel have been required to report under the Use Fuel Tax Law. (See Table 25.)

[h] Effective July 1, 1953, the tax rate was increased from 4½ cents to 6 cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the rate increase are not included; these amounted to $1,071,000 including interest and penalties.

[i] Effective July 1, 1947, the tax rate was increased from 3 cents to 4½ cents per gallon. Receipts from the 1½ cent storage tax imposed at the time of the increase are not included; these amounted to $680,000, including interest and penalties.

[j] Effective July 29, 1927, the tax rate was increased from 2 cents to 3 cents per gallon.

[k] A revision in the Revenue and Taxation Code effective January 1, 1982, allows a taxpayer to offset tax-paid exports against incurred tax liability instead of filing a claim for refund on such exports. Net revenue, over time, should not be affected by this revision.

[l] Effective January 1, 1983, the tax rate was increased from 7 cents to 9 cents per gallon. Receipts from the two cents per gallon storage tax imposed at the time of the rate increase are not included; these amounted to $3,456,000 in 1982–83 and $169,000 in 1983–84 including interest and penalties.

TABLE 24—TAXABLE DISTRIBUTIONS OF GASOLINE AND TAX ASSESSMENTS, BY DISTRIBUTOR, 1982–83 AND 1983–84

Name of company [a]	Gallons (in thousands)		Tax [b] (in thousands)	
	1982–83	1983–84	1982–83	1983–84
1	2	3	4	5
Allied Petroleum Company, Inc.	2,187	2,581	$172	$232
Al-Sal Oil Company, Inc.	2,694	695	210	63
Aminoil, Inc.	69,719	91,115	5,544	8,134
Anchor Refining Company	4,686	840	328	76
Andrews Petroleum Services, Inc.	—	1,663	—	150
ARCO	1,563,244	1,806,566	125,140	162,716
Astroline Pacific, Inc.	—	10,299	—	927
Beacon Oil Company	260,149	292,614	20,949	26,335
Beneto, Inc.	874	1,231	68	111
Berry-Hinckley Terminal Company, Inc.	91	570	8	51
Bi-State Petroleum	555	1,477	47	133
California Target Supply Company, Inc.	8,640	7,576	669	682
Champlin Petroleum Company	89,417	118,487	8,033	10,664
Chevron U.S.A., Inc.	1,684,740	1,762,510	134,718	158,626
Cluj Distribution Company	5,412	7,802	451	702
Colvin Oil Company	—	495	—	45
Conoco, Inc.	1,158	471	91	42
Desert Petroleum, Inc.	4,615	2,639	350	238
Douglas Oil Company of California	122,757	128,719	9,734	11,585
Ed Staub & Sons Petroleum, Inc.	163	607	14	55
Edgington Oil Company, Inc.	73,722	18,008	5,757	1,621
Eureka Fuel Company	492	1,026	39	92
Exxon Corporation	524,560	578,887	42,331	52,119
EZ Serve of California, Inc.	449	601	35	54
Fletcher Oil & Refining Company	75,024	64,498	5,563	5,804
Ford Motor Company	362	2,456	31	221
Getty Refining & Marketing	100,963	108,592	8,194	9,773
Golden Eagle Refining Company, Inc.	6,551	2,982	527	268
Golden Gate Petroleum Company	23,620	18,015	1,837	1,621
Golden West Refining Company	—	363,905	—	32,751
Gulf Oil Corporation	418,451	177,532	32,851	15,978
Huntway Refining Company	1,685	460	152	41
Jaco Oil Company	1,297	529	96	48
Kern Oil & Refining Company	63,618	42,930	5,051	3,864
Landsea Terminals, Inc.	75,562	19,552	5,706	1,760
Lee Chambers Petroleum, Inc.	687	957	56	86
Lockheed Air Terminal, Inc.	923	727	74	65
MacMillan Ring Free Oil Company, Inc.	9,933	7,934	743	714
Marlex Oil & Refining	7,990	8,548	628	769
Mobil Oil Corporation	833,321	851,957	66,349	76,676
Nella Oil Company	1,679	2,114	137	190
Newhall Refining Company, Inc.	34,294	31,929	2,630	2,874
Norris Supply Company, Inc.	650	897	51	81
Olympian Oil Company	1,296	1,033	104	93
Pacific Oasis	40,965	49,594	3,274	4,464
Pacific Refining Company	79,854	102,937	6,733	9,264
Paramount Petroleum Corporation	—	22,569	—	2,031
Petroleum Exchange, Inc.	—	7,722	—	695
Powerine Oil Company	163,866	63,742	12,840	5,737
Redwood Oil Company, Inc.	1,894	1,558	148	140
River City Petroleum, Inc.	227	665	19	60
Shell Oil Company	1,527,164	1,543,708	122,571	138,934
Snobird, Inc.	848	1,146	69	103
T. B. Smith Company	195	568	18	51
Tesoro Gasoline Marketing Company	1,293	676	103	61
Texaco, Inc.	630,111	601,771	50,196	54,159
Time Oil Company	24,421	26,301	1,966	2,367
Tosco Corporation	558,435	526,359	44,089	47,384
Union Oil Company of California	1,343,953	1,431,464	107,609	128,832
USA Petroleum Company	171,271	167,118	13,947	15,041
Western Energetix Corporation	718	947	53	85
Wickland Oil Terminals	163,442	204,798	13,770	18,432
Willbarb Petroleum Carriers, Inc.	398	1,546	32	139
World Oil Company	88,560	58,247	7,084	5,242
90 Other distributors paying less than $40,000 in 1983–84	64,254	11,389	4,690	1,024
Adjustments [c]	1,749	8,524	2,451	4,365
Totals	10,941,848	11,378,375	$877,130	$1,027,740

[a] "Distributors" are companies or individuals who make the first distribution of gasoline in California, and they are responsible for payment of the tax. (Aircraft manufacturers and certificated or licensed carriers by air may be included within the definition of distributor.) "Broker" includes every person, other than a distributor or a retailer, who deals in lots of 200 or more gallons of gasoline.

[b] Refunds for non-highway use totaling $19,086,000 in 1983–84 and $17,139,000 in 1982–83 have not been deducted.

[c] Adjustments include temperature-corrected gallonage from broker returns, late returns, audits, interest and penalties.

TABLE 25—DIESEL FUEL AND LIQUEFIED PETROLEUM GASES STATISTICS, 1937–40 TO 1983–84

Fiscal year	Taxable distributions (in thousands of gallons) Diesel	Total tax [a] (in thousands)	Self-assessed taxes (in thousands) Diesel	Self-assessed taxes (in thousands) LPG [l]	Active permits on December 31 Users	Active permits on December 31 Vendors	Tax paid at reduced rate by transit districts (in thousands) [k]
1	2	3	4	5	6	7	8
1983–84	1,427,535	$125,986	$121,711	$3,020	58,526	3,109	$813
1982–83	1,257,502 [r]	97,834	94,052 [m]	3,056	56,315	2,969	748
1981–82	1,185,624	81,773	78,296	3,036	54,615	2,738	783
1980–81	1,179,810	81,769	78,635	2,749	50,870	2,461	659
1979–80	1,164,375	80,144	77,557	2,180	46,324	2,132	637
1978–79	1,104,046	75,530	73,545	1,611	42,971	1,916	624
1977–78	987,855	67,764	65,715	1,658	44,739	1,813	553
1976–77	915,481	63,121	60,921	1,699	43,718	1,724	527
1975–76	827,487	56,857	55,263	1,448	42,988	1,714	507
1974–75	753,064	50,741	50,314	205	39,711	1,670	395
1973–74	770,854	52,164	51,667	289	36,493	1,627	382
1972–73	735,380	49,841	49,351	290	32,011	1,551	354
1971–72	674,292	45,981	45,155	599	28,967	1,507	330
1970–71	615,887	42,151	41,028	814	25,878	1,455	338
1969–70	579,903	40,496	39,511 [b]	755	23,851	1,387	320
1968–69	543,083	37,612	36,597 [b]	774	22,430	1,376	312 [c]
1967–68	477,249	34,375	33,407	814	20,843	1,360	—
1966–67	435,900	31,480	30,513	829	19,507	1,315	—
1965–66	419,286	31,214	30,054 [d]	1,028 [d,e]	18,038	1,256	—
1964–65	387,014	29,465	28,098 [d]	1,211 [d]	17,391	1,216	—
1963–64	358,995	26,532	25,129	1,274 [f]	16,238	1,217	—
1962–63	328,716	24,323	23,010	1,187	15,385	1,203	—
1961–62	306,689	22,871	21,468	1,291	14,670	1,195	—
1960–61	286,429	21,619	20,050	1,446	13,488	1,206	—
1959–60	280,157	20,837	19,609	1,094 [g]	12,451	1,109	—
1958–59	267,247	18,812	18,694	—	10,192	801	—
1957–58	246,711	17,454	17,270	—	9,807	773	—
1956–57	237,481	16,826	16,624	—	9,530	862	—
1955–56	226,448	16,018	15,850	—	8,877	825	—
1954–55	202,406	14,323	14,172	—	8,182	853	—
1953–54	183,043	12,873	12,738 [h]	—	7,441	751 [i]	—
1952–53	174,026	7,946	7,831	—	6,197	—	—
1951–52	150,683	6,885	6,780	—	5,166	—	—
1950–51	131,562	6,023	5,920	—	4,244	—	—
1945–50	406,708	16,527	16,238 [j]	—	2,610	—	—
1940–45	205,397	6,235	6,162	—	1,051	—	—
1937–40	38,625	1,178	1,159	—	n.a.	—	—

[a] Includes interest and penalties which amounted to $1,112,365 during the 1983–84 fiscal year. This revenue is on an accrual basis and therefore differs from the number in Table 2 which is on a cash basis.

[b] A special one-cent levy was in effect from June 1, 1969 through August 31, 1969 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised $450,000 from distributions during the 1968–69 fiscal year and $837,000 during the 1969–70 year.

[c] Effective July 1, 1968, the tax rate on most fuel consumed by municipal transit districts was reduced to one cent per gallon.

[d] A special one-cent levy was in effect from April 1, 1965 through August 31, 1965 to raise funds to repair and restore storm- and flood-damaged roads. This levy raised a total of $1,786,000.

[e] Effective January 1, 1966, the tax rate on liquefied petroleum gases was decreased from 7 cents to 6 cents per gallon.

[f] Effective October 1, 1963, the tax rate on liquefied petroleum gases was increased from 6 cents to 7 cents per gallon.

[g] Effective October 1, 1959, users and vendors of liquefied petroleum gases were required to report under the Use Fuel Tax Law. Prior to this date, they reported under the Motor Vehicle Fuel License Tax Law.

[h] Effective July 1, 1953, the tax rate on diesel fuel was increased from 4½ cents to 7 cents per gallon.

[i] Effective September 9, 1953, vendors of use fuel were authorized to collect the use fuel tax.

[j] Effective July 1, 1947, the tax rate on diesel fuel was increased from 3 cents to 4½ cents per gallon.

[k] These amounts are also included in columns 3 and 4.

[l] Beginning in December 1975, LPG users were allowed to pay tax on a flat rate basis. This precludes computing LPG gallonage. Flat rate payments totaled $1,353,000 during 1983–84, 44.8 percent of LPG taxes.

[m] Effective January 1, 1983, the tax rate on diesel fuel was increased from 7 cents to 9 cents per gallon.

[r] Revised.

n.a. Not available.

TABLE 26—TRANSPORTATION GROSS RECEIPTS TAX STATISTICS

This tax was repealed effective July 1, 1973. For historical data see the Board's 1975–76 Annual Report.

TABLE 27—BEER, WINE, AND DISTILLED SPIRITS EXCISE TAX COLLECTIONS, 1932–35 TO 1983–84 [a]

(In thousands of dollars)

Fiscal year	Beer	Wine			Distilled spirits	Total
		Still wines		Champagne and sparkling wines		
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1983–84	$25,017	$981	$162	$3,201	$107,128	$136,489 [b]
1982–83	24,043	957	168	2,742	108,786	136,696
1981–82	24,674	928	167	2,470	112,146	140,385
1980–81	24,707	899	167	2,293	114,999	143,065
1979–80	23,300 [c]	836	175	1,973	113,311	139,596
1978–79	22,367	815	190	1,853	113,329	138,554
1977–78	20,951	755	210	1,643	111,194	134,753
1976–77	19,945	690	212	1,394	105,468	127,708
1975–76	18,616	660	229	1,339	105,411	126,255
1974–75	18,057	605	231	1,219	101,447	121,559
1973–74	16,830	578	232	1,291	100,417	119,348
1972–73	15,782	559	264	1,326	96,755	114,686
1971–72	15,261	486	275	1,301	94,809	112,132
1970–71	13,847	444	262	1,273	90,780	106,606
1969–70	14,451	386	272	1,024	89,832	105,965
1968–69	12,743	316	236	785	85,546	99,676
1967–68	11,954	281	291	716	78,810 [c]	92,052
1966–67	12,508	247	306	632	59,607	73,300
1965–66	11,629	235	320	537	57,438	70,159
1964–65	11,764	218	323	489	54,152	66,946
1963–64	10,148	203	337	405	50,703	61,796
1962–63	9,981	187	333	332	47,989	58,822
1961–62	9,442	169	345	313	45,283	55,552
1960–61	9,093	159	352	274	42,148	52,026
1959–60	9,316 [d]	138	346	269	40,406	50,475
1958–59	4,392	115	353	206	37,329	42,395
1957–58	4,046	109	351	189	34,230	38,925
1956–57	3,847	105	331	181	34,784	39,248
1955–56	3,803	104	326	151 [e]	31,518 [f]	35,902
1954–55	3,656	94	317	117	16,710	20,894
1953–54	3,477	90	330	102	15,715	19,714
1952–53	3,621	80	317	96	15,657	19,771
1951–52	3,315	74	279	81	14,436	18,185
1950–51	3,363	73	273	97	16,018	19,824
1945–50	16,105	289	1,360	392	72,011	90,157
1940–45	11,516	351	1,217	268	62,806	76,158
1935–40	7,823	220 [g]	1,606 [h]	91	40,276	50,016
1932–35	2,397	—	479 [i]	—	—	2,876

[a] Collections are on an accrual basis and therefore differ from those in Table 2 which are on a cash basis.

[b] Additional detail for 1983–84 are as follows:

	Beer and wine	Distilled spirits
Collections based on audits	$24,909	$280,535
Transactions omitted from table:		
Refunds	58,779	52,031
Interest and penalties	21,056	46,526

[c] Effective August 16, 1967, the tax rate was increased from $1.50 to $2.00 per gallon. Receipts from the 50-cent floor tax are not included; these amounted to $3,009,778.

[d] Effective July 1, 1959, the tax rate was increased from 2 cents to 4 cents per gallon. Receipts from the 2-cent floor tax are not included; these amounted to $369,170.

[e] Effective July 1, 1955, the tax on champagne and sparkling wines was changed from 1.5 cents per half-pint or fraction thereof to 30 cents per gallon. This revision eliminated inequities in the tax and provided a uniform tax rate; it was not considered to be a tax rate increase.

[f] Effective July 1, 1955, the tax rate was increased from 80 cents to $1.50 per gallon. Receipts from the 70-cent floor tax imposed at the time of the rate increase are not included; these amounted to $3,120,882.

[g] The tax on natural dry wines was reduced from 2 cents to 1 cent per gallon effective July 1, 1937.

[h] Still wines over 14 percent alcohol include still wines of 14 percent alcohol or less through 1936–37 because their tax rates were the same and they were not reported separately.

[i] Includes all types of wines. The tax rate was two cents per gallon on all wine and the different types were not reported separately.

TABLE 28—APPARENT CONSUMPTION [a] OF BEER, WINES AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–40 TO 1983–84

(In thousands of gallons)

Fiscal year	Beer [b]	Wine				Distilled spirits
		Still wines		Champagne and sparkling wines	Total wine consumption	
		14 percent alcohol or less	Over 14 percent alcohol			
1	2	3	4	5	6	7
1983–84	623,174	98,131	8,099	10,670	116,900	53,564
1982–83	598,790	95,718	8,416	9,141	113,275	54,393
1981–82	610,873	92,815	8,374	8,232	109,421	56,073
1980–81	610,689	89,931	8,339	7,642	105,912	57,500
1979–80	581,381	83,621	8,745	6,617	98,983	56,656
1978–79	564,280	81,495	9,507	6,175	97,177	56,665
1977–78	528,724	75,538	10,489	5,475	91,502	55,597
1976–77	506,034	68,985	10,599	4,647	84,231	52,734
1975–76	471,996	65,988	11,458	4,463	81,909	52,705
1974–75	460,592	60,543	11,551	4,063	76,157	50,724
1973–74	431,001	57,761	11,591	4,304	73,656	50,208
1972–73	404,900	55,949	13,207	4,419	73,575	48,377
1971–72	395,645	48,555	13,768	4,337	66,660	47,405
1970–71	356,738	44,392	13,119	4,244	61,755	45,390
1969–70	373,129	38,568	13,584	3,412	55,564	44,916
1968–69	328,976	31,650	14,317	2,616	48,583	42,773
1967–68	308,936	28,103	14,543	2,386	45,032	40,629
1966–67	321,765	24,713	15,320	2,107	42,140	39,738
1965–66	298,711	23,509	15,990	1,791	41,290	38,292
1964–65	300,835	21,790	16,131	1,629	39,550	36,102
1963–64	261,145	20,312	16,848	1,350	38,510	33,802
1962–63	256,151	18,668	16,661	1,106	36,435	31,993
1961–62	242,761	16,851	17,239	1,044	35,134	30,189
1960–61	232,962	15,861	17,602	913	34,376	28,098
1959–60	238,120	13,761	17,299	898	31,958	26,937
1958–59	224,657	11,547	17,631	688	29,866	24,886
1957–58	207,021	10,901	17,555	630	29,086	22,820
1956–57	196,151	10,460	16,570	605	27,635	23,189
1955–56	192,973	10,447	16,324	502	27,273	21,012
1954–55	185,388	9,394	15,826	390	25,610	20,887
1953–54	177,629	8,987	16,507	396	25,890	19,644
1952–53	184,657	8,041	15,833	401	24,275	19,572
1951–52	168,847	7,431	13,969	336	21,736	18,045
1950–51	167,439	7,271	13,674	405	21,350	20,022
1945–50	801,657	29,022	67,996	1,625	98,643	90,014
1940–45	573,369	35,000	61,130	1,009	97,139	78,507
1935–40	387,414	37,121	65,264	683	103,068	50,345

[a] Figures in this table represent taxable distributions compiled from monthly tax returns. Because the tax liability attaches at the time alcoholic beverages are sold by manufacturers, importers, or wholesalers, rather than at the time a retail sale is made or when the consumption occurs, they are referred to as "apparent" consumption figures rather than as "actual" consumption figures.

[b] Includes a relatively small amount of tax-exempt beer distributed to the armed forces subsequent to June 30, 1951. Prior to July 1951, such distributions were taxable. Effective January 1, 1990, distributions of beer for the armed forces became subject to the state's excise tax when purchased from California suppliers.

TABLE 29—PER CAPITA CONSUMPTION [a] OF BEER, WINES, AND DISTILLED SPIRITS BY FISCAL YEAR, 1935–36 TO 1983–84

(Consumption in gallons)

Fiscal year	Population [b]	Per capita consumption		
		Beer [c]	Wines	Distilled spirits
1	2	3	4	5
1983–84	25,415,300	24.52	4.60	2.11
1982–83	24,944,700 [r]	24.00 [r]	4.54	2.18
1981–82	24,469,500	24.96	4.47	2.29
1980–81	23,992,900	25.45	4.41	2.40
1979–80	23,534,000	24.70	4.21	2.41
1978–79	23,072,000	24.46	4.21	2.46
1977–78	22,610,000	23.38	4.05	2.46
1976–77	22,164,000	22.83	3.80	2.38
1975–76	21,756,000	21.70	3.76	2.42
1974–75	21,374,000	21.55	3.56	2.37
1973–74	21,036,000	20.49	3.50	2.39
1972–73	20,737,000	19.53	3.55	2.33
1971–72	20,470,000	19.33	3.26	2.32
1970–71	20,193,000	17.67	3.06	2.25
1969–70	19,922,000	18.73	2.79	2.25
1968–69	19,664,000	16.73	2.47	2.18
1967–68	19,372,000	15.95	2.32	2.10
1966–67	19,041,000	16.90	2.21	2.09
1965–66	18,670,000	16.00	2.21	2.05
1964–65	18,255,000	16.48	2.17	1.98
1963–64	17,768,000	14.70	2.17	1.90
1962–63	17,211,000	14.88	2.12	1.86
1961–62	16,636,000	14.59	2.11	1.81
1960–61	16,114,000	14.46	2.13	1.74
1955–56	13,292,000	14.52	2.05	1.58
1950–51	10,886,000	15.38	1.96	1.84
1945–46	9,452,000	16.86	2.13	2.37
1940–41	7,094,000	10.71	2.51	1.60
1935–36	6,258,000	11.63	3.39	1.46

[a] Based on taxable distributions compiled from monthly tax returns.
[b] Population used is for January 1 of each fiscal year.
[c] Includes tax-exempt beer sold to the armed forces; see Table 28 footnote b.
[r] Revised

TABLE 30A—CIGARETTE TAX REVENUE, 1959–60 TO 1983–84

(In thousands of dollars)

Fiscal year	Revenue [a]	Distributors' discounts [b]	Gross value of tax indicia [c]	Refunds	Amount set aside for cities and counties
1	2	3	4	5	6
1983–84	$265,788	$2,271	$268,059	$2,756	$78,969
1982–83	271,138	2,314	273,452	2,060	81,486
1981–82	276,262	2,362	278,624	1,843	83,047
1980–81	274,885	2,349	277,234	1,567	82,465
1979–80	272,053	2,327	274,380	1,645	81,616
1978–79	268,816	2,303	271,805	1,369	80,645
1977–78	274,102	2,348	276,005	1,239	82,231
1976–77	269,385	2,309	272,015	832	80,815
1975–76	268,610	2,303	270,913	927	80,583
1974–75	261,975	2,246	264,346	745	78,593
1973–74	258,921	2,220	262,688	632	77,676
1972–73	253,602	2,174	255,774	626	76,081
1971–72	246,351	2,112	248,181	677	73,904
1970–71	239,195	2,051	241,870	552	71,764
1969–70	235,901	2,022	238,835	455	70,762
1968–69	237,159	2,032	239,376	492	71,140
1967–68	205,985 [d,e]	1,786	209,654	356	52,059 [d]
1966–67	75,597	1,543	77,130	136	—
1965–66	74,578	1,522	76,334	92	—
1964–65	74,477	1,520	75,948	56	—
1963–64	71,822	1,468	73,391	77	—
1962–63	70,194	1,437	71,836	79	—
1961–62	66,054	1,391	69,557	58	—
1960–61	66,024 [g]	1,675 [f]	67,372	76	—
1959–60	64,805 [h]	767 [i]	64,805	27	—

[a] Net of refunds for tax indicia on cigarettes that become unfit for use. (See column 5.)

[b] A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960 until August 1, 1967 the discount rate was 2%.

[c] Effective July 16, 1961, distributors have been able to purchase tax indicia on credit. On June 30, 1984, this amounted to $19,754,941 and on June 30, 1983, it amounted to $22,311,671.

[d] Effective August 1, 1967, the tax rate was increased from 3¢ to 7¢ per pack. On October 1, 1967 the rate was further increased to 10¢ per pack, with the stipulation that 30% of the tax be allocated to cities and counties.

[e] Includes $6,515,209 from the 4¢ per pack floor stocks tax levied on August 1, 1967; and $4,889,485 from the 3¢ per pack floor stocks tax imposed October 1, 1967.

[f] Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

[g] Refunds made for distributors' discounts in the 1960–61 fiscal year on purchases made in the 1959–60 fiscal year have been deducted. These refunds amounted to $324,000.

[h] Includes $2,673,048 from the 3¢ per pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia.

[i] During July and August of 1959 the tax was collected by invoice and no discount was allowed on these collections of $8,123,700, nor on the $2,673,048 tax on floor stocks.

TABLE 30B—CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959–60 TO 1983–84

Fiscal year	Distributions (millions of packages)			Per capita consumption (in packages) [a]
	Total	Tax paid	Tax exempt	
1	2	3	4	5
1983–84	2,798	2,681	117	110.1
1982–83	2,863	2,735	128	114.8 [r]
1981–82	2,922	2,786	136	119.4
1980–81	2,913	2,772	141	121.4
1979–80	2,892	2,744	148	122.9
1978–79	2,875	2,718	157	124.6
1977–78	2,926	2,760	166	129.4
1976–77	2,892	2,720	172	130.5
1975–76	2,896	2,709	187	133.1
1974–75	2,836	2,643	193	132.7
1973–74	2,834	2,627	207	134.7
1972–73	2,755	2,546	209	132.9
1971–72	2,714	2,499	215	132.6
1970–71	2,630	2,419	211	130.2
1969–70	2,588	2,387	201	129.9
1968–69	2,600	2,393	207	132.2
1967–68	2,688	2,475	213	138.8
1966–67	2,735	2,571	164	143.6
1965–66	2,703	2,544	159	144.8
1964–65	2,677	2,532	145	146.6
1963–64	2,577	2,446	131	145.0
1962–63	2,534	2,398	136	147.2
1961–62	2,449	2,319	130	147.2
1960–61	2,370	2,246	124	147.1
1959–60	2,176	2,071	105	139.7

[a] Based on latest estimate of January 1 population for each fiscal year.

[r] Revised.

TABLE 31—1983 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1984, BY COMPANY

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
FIRE AND CASUALTY INSURERS		
Aetna Casualty and Surety Company (The)	$256,491	$5,976,248
Allstate Insurance Company	794,002	18,500,239
All West Insurance Company	66,388	1,546,849
American Motorists Insurance Company	56,321	1,312,271
American National Fire Insurance Company	65,867	1,535,177
Argonaut Insurance Company	66,033	1,538,579
Associated Indemnity Corporation	201,147	4,686,731
Cal-Farm Insurance Company	80,782	1,882,213
California Casualty Indemnity Exchange (The)	62,679	1,460,419
California Casualty Insurance Company	46,453	1,082,364
California State Automobile Association Inter-Insurance Bureau	447,403	10,424,488
Canadian Indemnity Company (The)	37,024	1,291,026
Classified Insurance Corporation	43,094	1,004,099
Consolidated American Insurance Company	44,102	1,465,536
Continental Casualty Company	45,092	1,049,933
Continental Insurance Company (The)	161,612	3,765,552
Doctors' Company, An Interinsurance Exchange (The)	53,622	1,249,388
Employers Insurance of Wausau, A Mutual Company	110,686	2,578,988
Enterprise Insurance Company	71,654	1,669,540
Fairmont Insurance Company	47,352	1,103,308
Farmers Insurance Exchange	603,940	14,071,796
Federal Insurance Company	108,623	2,530,925
Fire Insurance Exchange	243,117	5,664,632
Fireman's Fund Insurance Company	266,938	6,219,654
Fremont Indemnity Company	190,734	4,444,112
Government Employees Insurance Company	68,473	1,595,415
Hartford Accident and Indemnity Company	170,383	3,969,913
Hartford Fire Insurance Company	50,564	1,178,146
Home Insurance Company (The)	51,478	1,199,429
Industrial Indemnity Company	290,871	6,777,308
Insurance Company of North America	234,992	5,475,324
Insurance Company of the West	54,061	1,259,616
Inter-Insurance Exchange of the Automobile Club of Southern California	619,251	14,428,552
Liberty Mutual Fire Insurance Company	139,276	3,245,135
Mercury Casualty Company	66,692	1,553,928
Mid-Century Insurance Company	148,805	3,467,166
Mission Insurance Company	168,285	3,921,037
Mission National Insurance Company	48,623	1,132,918
National Surety Corporation	71,468	1,665,193
National Union Fire Insurance Company of Pittsburgh, Pennsylvania	176,637	4,115,631
Northern Insurance Company of New York	44,308	1,032,373
Pacific Employers Insurance Company	112,815	2,628,588
Pacific Indemnity Company	44,082	1,027,110
Republic Indemnity Company of America	59,501	1,386,367
Royal Indemnity Company	61,392	1,430,433
Royal Insurance Company of America	66,166	1,629,205
SAFECO Insurance Company of America	176,397	4,110,047
St. Paul Fire and Marine Insurance Company	67,608	1,575,268
Southern California Physicians Insurance Exchange	54,684	1,274,139
State Compensation Insurance Fund	291,821	6,799,421
State Farm Fire and Casualty Company	475,106	11,218,707
State Farm Mutual Automobile Insurance Company	902,360	21,024,988
Transamerica Insurance Company	75,187	1,751,848
Transportation Insurance Company	45,004	1,048,586
Travelers Indemnity Company (The)	152,654	3,561,506
Truck Insurance Exchange	147,216	3,430,140
20th Century Insurance Company	159,815	3,723,678
Unigard Mutual Insurance Company	62,233	1,506,767
United Pacific Insurance Company	111,223	2,591,491
United Services Automobile Association	153,444	3,575,252
United States Fidelity and Guaranty Company	57,156	1,331,744
West American Insurance Company	117,547	2,738,844
Western Employers Insurance Company	55,269	1,287,764
Zenith Insurance Company	87,127	2,030,055
495 Other fire and casualty insurers [a]	3,982,206	93,714,981
Totals for fire and casualty insurers	$14,063,528	$330,468,080

[a] Each having a total tax of less than $1,000,000.

TABLE 31—1983 TAXABLE INSURANCE PREMIUMS AND TOTAL TAXES ASSESSED IN 1984, BY COMPANY—Concluded

Name of company	Taxable premiums (in thousands)	Total tax assessed
1	2	3
LIFE INSURERS		
Aetna Life Insurance Company	$481,360	$11,138,382
Allstate Life Insurance Company	95,504	2,141,292
American National Insurance Company	58,510	1,444,766
Bankers Life Company	103,031	2,261,348
Cal-Farm Life Insurance Company	60,021	1,323,666
California Life Insurance Company	38,640	900,308
California-Western States Life Insurance Company	150,938	3,469,284
Certified Life Insurance Company	37,507	860,494
Confederation Life Insurance Company	36,914	852,488
Connecticut General Life Insurance Company	253,962	5,097,730
Connecticut Mutual Life Insurance Company (The)	49,664	1,057,240
Continental Assurance Company	61,741	1,395,973
Crown Life Insurance Company	93,795	2,177,662
Employee Benefits Insurance Company	42,204	983,342
Equitable Life Assurance Society of the United States (The)	302,954	5,677,600
Executive Life Insurance Company	129,794	2,289,587
Farmers New World Life Insurance Company	50,973	1,157,488
Fireman's Fund American Life Insurance Company	56,378	1,310,017
First Farwest Life Insurance Company	35,954	837,731
General American Life Insurance Company	56,508	1,251,982
Great Republic Life Insurance Company	41,690	971,369
Great-West Life Assurance Company (The)	67,975	1,424,711
Guardian Life Insurance Company of America (The)	44,690	1,011,480
John Hancock Mutual Life Insurance Company	142,772	2,956,856
Keystone Provident Life Insurance Company	51,028	1,188,956
Life Insurance Company of North America	91,771	2,131,397
Lincoln National Life Insurance Company (The)	144,456	3,351,254
Manufacturers Life Insurance Company (The)	56,146	1,111,906
Massachusetts Indemnity and Life Insurance Company	51,529	1,200,288
Massachusetts Mutual Life Insurance Company	111,219	2,357,197
Metropolitan Life Insurance Company	518,146	11,259,106
Mutual Benefit Life Insurance Company (The)	90,509	1,988,802
Mutual Life Insurance Company of New York (The)	83,603	1,868,292
Mutual of Omaha Insurance Company	73,472	1,711,904
Mutual Security Life Insurance Company	35,637	774,739
NN Investors Life Insurance Company, Inc.	50,745	1,181,779
National Home Life Assurance Company	38,345	893,397
National Life and Accident Insurance Company (The)	38,095	877,158
New England Mutual Life Insurance Company	79,730	1,523,123
New York Life Insurance Company	401,361	8,386,039
Northwestern Mutual Life Insurance Company (The)	92,454	1,958,081
Northwestern National Life Insurance Company	39,020	901,144
Pacific Mutual Life Insurance Company	184,283	3,550,346
Penn Mutual Life Insurance Company (The)	36,356	811,661
Provident Life and Accident Insurance Company	81,077	1,864,881
Prudential Insurance Company of America (The)	766,839	13,142,194
Republic National Life Group Insurance Company	58,038	1,352,288
SAFECO Life Insurance Company	32,677	758,813
Standard Insurance Company	66,850	1,522,349
State Farm Life Insurance Company	74,168	1,348,504
Transamerica Occidental Life Insurance Company	436,789	9,629,396
Travelers Insurance Company (The)	292,696	6,511,096
Union Central Life Insurance Company (The)	36,639	920,746
Union Labor Life Insurance Company (The)	114,790	2,673,038
Union Mutual Stock Life Insurance Company of America	47,287	1,099,570
United Insurance Company of America	44,738	1,042,384
United of Omaha Insurance Company	88,815	1,952,288
Washington National Insurance Company	47,308	1,078,381
487 other life insurers [b]	2,410,883	53,552,536
Totals for life insurers	$9,360,995	$201,467,831 [c]
Totals for fire and casualty insurers	14,063,528	330,468,080 [c]
Totals for title insurers	368,566	8,627,802 [c]
Totals for all insurers	$23,793,089	$540,563,713

[b] Each having a total tax of less than $700,000.

[c] Retaliatory taxes of $2,788,158 for fire and casualty insurers, $1,085,583 for life insurers and $40,941 for title insurers have been included in the assessments by company.

TABLE 32—SUMMARY OF INSURANCE TAXES ASSESSED IN 1983 AND 1984 AGAINST COMPANIES AUTHORIZED TO DO BUSINESS IN CALIFORNIA, BY TYPE OF INSURER [a]

Type of insurer	Assessments on 1982 business		Assessments on 1983 business		Percent change in assessments
	Number	Amount	Number	Amount	
1	2	3	4	5	6
Fire and casualty	731	$302,602,395	746	$330,468,080	9.2%
Life	646	182,918,145	666	201,467,831	10.1
Title	23	6,128,563	23	8,627,802	40.8
Subtotals	1,400 [b]	491,649,103 [b]	1,435 [c]	540,563,713 [c]	9.9
Ocean marine	48	183,981	53	66,928	−63.6
Totals	1,448	$491,833,084	1,488	$540,630,641	9.9%
Adjustments:					
Deficiency assessments	119 [d]	1,174,427 [d]	194 [e]	44,857,121 [e]	—
Refunds and cancellations	227 [f]	32,604,228 [f]	49	878,575	—
Net adjustments	346	−31,429,801	243	43,978,546	—
Grand totals	1,794	$460,403,283	1,731	$584,609,187	27.0%

[a] Includes self-assessments and board-assessments against companies licensed to write insurance on California risks.

[b] Includes 137 returns that reported no premiums tax liability and 167 retaliatory tax assessments totaling $3,623,903.

[c] Includes 153 nil premium tax assessments and 161 retaliatory tax assessments totalling $3,883,952.

[d] Includes 61 assessments made by the State Controller in the amount of $242,055 and 16 assessments for amended 1981 retaliatory returns in the amount of $66,122.

[e] Includes 113 assessments by the State Controller in the amount of $170,693. Also includes 30 assessments in the amount of $43,872,613 made against claim payments made under "Mini-Met" type minium premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

[f] Includes 171 refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976.

TABLE 33—INSURANCE TAX ASSESSMENTS AGAINST LICENSED INSURERS, TAX RATE, TAXES ON PREMIUMS, LOCAL PROPERTY TAX CREDITS ALLOWED, TAXES ON OCEAN MARINE BUSINESS, AND TOTAL TAXES ASSESSED, 1911–15 TO 1984 [a]

Year of assessment	Number of assessments [b]	Gross premiums tax rate (percent)	Taxes assessed on premiums [c]	Local property tax credits allowed	Taxes assessed on underwriting profits: ocean marine [d]	Total taxes assessed
1	2	3	4	5	6	7
1984	1,174 [e]	2.33	$584,542,259 [m]	—	$66,928	$584,609,187
1983	1,144	2.33	460,219,302 [l]	—	183,981	460,403,283
1982	1,106	2.35	472,705,232	—	225,083	472,930,315
1981	1,064	2.35	448,622,737	—	145,962	448,768,699
1980	1,065	2.35	429,479,576	—	100,375	429,579,951
1979	1,038	2.35	396,871,905	—	144,456	397,016,361
1978	1,008	2.35	363,665,780	—	74,843	363,740,623
1977	984	2.35	299,712,880	— [k]	37,018	299,749,898
1976	967	2.35	248,537,130	$17,840,567	23,124	230,719,687
1975	992	2.35	211,975,924	16,731,201	79,999	195,324,722
1974	1,010	2.35	209,787,954	16,160,417	165,802	193,793,339
1973	989	2.35	195,049,519	16,406,592	141,337	178,784,264
1972	977	2.35	174,529,967	13,918,775	88,938	160,700,130
1971	915	2.35	160,307,804	11,673,670	45,488	148,679,622
1970	894	2.35	141,892,452	9,785,420	25,209	132,132,241
1969	830	2.35	130,895,320	7,610,137	13,518	123,298,701
1968	787	2.33	119,132,434	6,314,488	9,791	112,827,737
1967	782	2.33	111,445,400	6,377,277	4,213	105,072,336
1966	791	2.33	105,050,308	6,239,578	10,763	98,821,493
1965	833	2.33	97,782,471	5,601,383	24,785	92,205,873
1964	826	2.35	90,473,809 [f]	4,979,745	38,516	85,532,580 [f]
1963	815	2.35	82,521,529	4,766,754	44,475	77,799,250
1962	809	2.35	75,504,917	4,291,305	42,206	71,255,818
1961	767	2.35	71,235,283	3,854,507	39,688	67,420,464
1960	736	2.35	65,169,948	3,341,844	20,307	61,848,411
1959	711	2.35	58,377,347	3,153,605	13,601	55,237,343
1958	716	2.35	53,461,244	2,714,160	19,843	50,766,927
1957	728 [g]	2.35	48,365,723	2,278,623	54,234	46,141,334
1956	828	2.35	44,476,726	2,026,931	83,296	42,533,091
1955	809	2.35	40,810,134	1,781,071	75,118	39,104,201
1954	803	2.35	40,040,521	1,601,342	61,743	38,500,922
1953	796	2.35	35,634,480	1,393,689	83,909	34,324,700
1952	782	2.35	30,384,576 [h]	1,331,108	123,333	29,176,801 [h]
1951	781	2.35	26,404,608	1,266,639	144,753	25,282,722
1946–1950	3,790	[i]	101,734,147	4,178,399	454,383	98,010,131
1941–1945	3,400	[i]	38,111,232	5,777,662	139,007	52,472,577
1936–1940	3,405	2.60	44,427,176	8,395,968	59,270	36,090,478
1931–1935	3,128	2.60	34,850,689	3,342,794	87,173	31,595,068
1926–1930	2,834	2.60	33,143,423	3,031,155	—	30,112,268
1921–1925	1,209	2.60	20,170,810	1,460,622	—	18,710,188
1916–1920	1,664	2.00	7,257,013	272,834	—	6,984,179
1911–1915	1,490	[j]	3,893,525	169,848	—	3,723,677

[a] Excludes assessments against life insurance companies not licensed by the State to write insurance on California risks.

[b] Includes only annual premiums tax assessments showing tax liability and ocean marine assessments.

[c] Includes retaliatory assessments (except for the period from 1945, when the retaliatory tax law was repealed, through 1959 when the law was reestablished), penalties for late filing or nonfiling of returns, and adjustments of prior year taxes.

[d] Includes penalties for late filing or nonfiling of returns. By constitutional amendment adopted in 1930, ocean marine insurance was removed from the scope of the gross premiums tax and subjected to a 5 percent tax on underwriting profits.

[e] Defined in footnote b. In addition there were 161 retaliatory tax assessments and 320 returns that showed no tax liability, of which 153 were for life, casualty, and title insurers, and 167 for ocean marine insurers.

[f] Excludes $22,859,004, which represents the prepayments the companies assessed themselves, computed at the rate of 2.33 percent on the premiums written in the first quarter of 1964.

[g] Beginning in 1957, life insurance companies writing disability insurance were assessed only once. In all prior years such companies were assessed twice; one assessment covered their life insurance and annuity policies, and one covered their disability insurance business. In 1956 there were 93 such companies.

[h] Beginning in 1952, the State Compensation Insurance Fund became subject to assessment by the Board.

[i] The tax rate declined by .05 percent per year from 2.60 percent in 1943 to 2.35 percent in 1948. The decrease was intended to compensate for a gradual restriction of the real estate tax offset privilege. In the 1944 assessment, the maximum offset for taxes on real estate other than the principal office in the state was 75 percent of the company's 1940 offset on such property. The next year it was 55 percent; the next, 35 percent; then 15 percent. From 1948 on, only taxes on principal offices have been eligible for offset.

[j] The gross premiums tax rate was 1.50 percent during 1911 and 1912, 1.75 percent in the following two years, and 2.00 percent in 1915.

[k] This tax credit on the home or principal office in California was eliminated by proposition 6 which was approved by the voters on June 8, 1976; see Chapter 938, Statutes of 1975.

[l] Refunds granted by court decision in the amount of $31,299,011 for the principal office deduction for the year 1976 have been deducted.

[m] Includes $43,872,613 assessed against claim payments made under "Mini-Met" type minimum premium payment group health and welfare plans. The State Supreme Court found these payments to be subject to the gross premiums tax.

TABLE 34—FEDERAL, STATE, AND LOCAL TAX COLLECTIONS, 1950–51 TO 1983–84

(In thousands of dollars)

Fiscal year	Federal taxes [a]	State taxes other than disability insurance [b]	Local taxes and ad valorem assessments [c]	Total
1	2	3	4	5
1983–84	n.a.	27,546,937	12,773,500 [d]	n.a.
1982–83	70,893,434	23,762,901	11,630,998 [r]	106,287,333 [r]
1981–82	71,541,870	23,081,477	10,527,278	105,150,625
1980–81	67,149,915	21,290,825	9,369,680	97,810,420
1979–80	58,873,061	20,358,664	8,525,000	87,756,725
1978–79	49,558,113	17,781,295	7,515,000	74,854,408
1977–78	42,772,775	16,266,712	12,791,000	71,830,487
1976–77	37,997,043 [e]	13,873,801	11,442,000	63,312,844
1975–76	28,091,997	11,661,724	10,093,000	49,846,721
1974–75	28,510,065	10,350,879	9,087,000	47,947,944
1973–74	24,959,348	8,503,309	8,141,345	41,604,002
1972–73	21,386,204	7,859,022	8,150,000	37,395,226
1971–72	18,962,545	7,086,506	7,325,000	33,374,051
1970–71	17,629,909	5,979,962	6,545,000	30,154,871
1969–70	18,596,235	5,851,911	5,789,464	30,237,610
1968–69	16,777,444	5,599,729	5,369,543	27,746,716
1967–68	15,455,808	5,090,195	4,787,145	25,333,148
1966–67	13,098,149	3,978,106	4,336,397	21,412,652
1965–66	11,085,100	3,889,945	3,896,042	18,871,087
1964–65	10,443,242	3,562,865	3,537,505	17,543,612
1963–64	10,534,708	3,369,236	3,247,449	17,151,393
1962–63	9,806,770	2,987,506	3,011,527	15,805,803
1961–62	9,091,751	2,673,724	2,769,131	14,534,606
1960–61	8,486,217	2,489,916	2,521,870	13,498,003
1959–60	7,997,711	2,364,532	2,306,318	12,668,561
1958–59	6,923,618	1,947,824	2,073,642	10,945,084
1957–58	6,753,950	1,786,026	1,856,780	10,396,756
1956–57	6,643,780	1,757,400	1,606,115	10,007,295
1955–56	6,008,419	1,654,153	1,400,489	9,063,061
1954–55	5,184,128	1,433,546	1,241,175	7,858,849
1953–54	5,356,963	1,339,870	1,121,205	7,818,038
1952–53	5,287,729	1,263,722	1,030,091	7,581,542
1951–52	4,645,285	1,214,772	933,783	6,793,840
1950–51	3,558,227	1,116,063	869,460	5,543,750

[a] Includes the railroad employment compensation tax but excludes custom duties which are not classified as internal revenue.

[b] Unemployment insurance tax collections totaling $1,589,452,154 are included in the figure for 1983–84 but the State's unemployment compensation disability tax, on the other hand, which yielded $984,312,777 in the fiscal year, is excluded because it lacks one of the characteristics that most definitions require of a tax: it is not a "compulsory payment" since an approved private plan may be substituted for the state insurance financed by means of this levy.

[c] Includes (1) property taxes, (2) state-administered local sales and use taxes, whether distributed or withheld by the state as a service charge; (3) franchises; (4) business license taxes; (5) animal licenses; (6) bicycle licenses; and (7) ad valorem special assessments collected by county officials—levies which are extended against the assessed values of land and improvements (but not personal property) to finance activities which are supposed to confer benefits on each property owner of a value approximately equal to his share of the levy.

[d] Estimated.

[e] Beginning with 1976–77 the federal fiscal year runs from October 1 through September 30.

[r] Revised.

CALIFORNIA STATE BOARD OF EQUALIZATION OFFICES

District	Board Members	Office Address	Area Code	Telephone Number
First	WILLIAM M. BENNETT	1020 N St., Sacramento 95814	916	445-4081
Second	CONWAY H. COLLIS	901 Wilshire Blvd., Suite 210, Santa Monica 90401	213	451-5777
Third	ERNEST J. DRONENBURG, Jr.	110 West C St., Suite 1709, San Diego 92101	619	237-7844
Fourth	RICHARD NEVINS	20 E. Foothill Blvd., Caller 16, Arcadia 91006-0016	818	681-3551
State Controller	KENNETH CORY	State Capitol, Room 1114, Sacramento 95814	916	445-3028
SACRAMENTO HEADQUARTERS	DOUGLAS D. BELL, Executive Secretary	1020 N St., Sacramento 95814	916	445-6464

California Cities Business Taxes Field Offices	Office Hours 8–5 Unless Otherwise Listed Below	Office Address	Area Code	Telephone Number
Arcadia		20 E. Foothill Blvd., 91006	818	350-6401
Auburn	8-12 & 1-5 M thru F	550 High St., Suite 3, 95603	916	885-8408
Bakersfield		525 18th St., 93301	805	395-2880
Bishop	8-12 & 1-5 M thru F	407 W. Line St., Room 3, 93514	619	872-3701
Chico	8-12 & 1-5 M thru F	8 Williamsburg Lane, 95926	916	893-0266
Covina		233 N. Second Ave., 91723	818	331-6401
Crescent City	8-12 & 1-5 M thru F	343 G Street, 95531	707	464-2321
Culver City		3861 Sepulveda Blvd., Caller Box 3652, 90231-3652	213	313-7111
Downey		11229 Woodruff Ave., 90241	213	773-3480
El Centro	8-12 & 1-5 M thru F	1699 W. Main St., Suite H, 92243	619	352-3431
Eureka	8-12 & 1-5 M thru F	1656 Union St., Room 119, 95501	707	442-4503
Fresno		2550 Mariposa St., Room 2080, 93721	209	445-5285
Hayward	8-12 & 1-5 M thru F	795 Fletcher Lane, 94544	415	881-3544
Hollywood		5110 Sunset Blvd., 90027	213	663-8181
Inglewood		630 N. LaBrea Ave., 90302	213	678-8964
Long Beach		4140 Long Beach Blvd., 2nd Floor, 90807	213	636-2466
Marysville		922 G St., 95901	916	741-4301
Merced	8-12 & 1-5 M thru F	3191 M St., Suite A, 95340	209	383-2831
Modesto		1020 15th Street, Suite E, 95354	209	576-6360
Nevada City	8-12 & 1-5 M thru F	301 Broad St., 95959	916	265-4628
Oakland		1111 Jackson St., Room 7072, 94607	415	464-0347
Ontario	8-12 & 1-5 M thru F	320 West G St., Suite 105, 91762	714	983-5969
Oroville	8-12 & 1-5 M thru F	2445 Oro Dam Blvd., Suite 3A, 95965	916	534-2359
Palmdale	8-12 & 1-5 M thru F	37925 N. Sixth St., East, 93550	805	947-8911
Placerville	8-12 & 1-5 M thru F	100 Forni Rd., Suite 1B, 95667	916	622-1101
Pleasant Hill	8-12 & 1-5 M thru F	395 Civic Dr., Suite D, 94523	415	687-6962
Quincy	9-1 M thru F	546 Lawrence St., 95971	916	283-1070
Rancho Mirage	8-12 & 1-5 M thru F	42-700 Bob Hope Drive, Suite 301, 92270	619	346-8096
Redding		2135 Akard Ave., 96001	916	225-2725
Sacramento		1891 Alhambra Blvd., 95816	916	739-4911
Salinas		21 W. Laurel Dr., Suite 77, 93906	408	443-3008
San Bernardino		303 W. Third St., Suite 500, 92401	714	383-4701
San Diego		1350 Front St., Room 5047, 92101	619	237-7731
San Francisco		350 McAllister St., Room 2262, 94102	415	557-1877
San Jose		100 Paseo De San Antonio, Room 307, 95113	408	277-1231
San Luis Obispo		940 Chorro St., 93401	805	549-3131
San Marcos		365 So. Rancho Santa Fe Road, 92069	619	744-1330
San Mateo		520 So. El Camino Real, Suite 740, 94402	415	573-3578
San Rafael	8-12 & 1-5 M thru F	7 Mt. Lassen Drive, Suite B-136, 94903	415	472-1513
Santa Ana		28 Civic Center Plaza, Room 239, 92701	714	558-4051
Santa Barbara		411 E. Canon Perdido St., Room 11, 93101-1589	805	965-4535
Santa Cruz	8-12 & 1-5 M thru F	303 Water St., Suite 6, 95060	408	423-6683
Santa Maria		325 East Plaza Dr., Bldg 3, Suite 4, 93454	805	925-7417
Santa Rosa		50 D Street, 95401	707	576-2100
Sonora	8-12 & 1-5 M thru F	11941 Highway 49, 95370	209	532-6979
South Lake Tahoe	8-12 & 1-5 M thru F	2489 Lake Tahoe Blvd., Suite 7, 95705	916	544-4816
Stockton		31 E. Channel St., Room 264, 95202	209	948-7720
Susanville	9-1 M thru F	80 N. Roop St., 96130	916	257-3429
Ukiah	8-12 & 1-5 M thru F	620 Kings Court, 95482	707	462-1988
Vallejo	8-12 & 1-5 M thru F	704 Tuolumne Court, 94590	707	648-4065
Van Nuys		6150 Van Nuys Blvd., 91401	818	901-5293
Ventura		2590 E. Main St., Suite 101, 93003-2619	805	654-4523
Visalia		111 S. Johnson St., Suite E, 93291	209	732-5641
Woodland	8-12 & 1-5 M thru F	96 W. Main St., Suite 2, 95695	916	662-7331
Yreka	8-12 & 1-5 M thru F	1217 So. Main Street, 96097	916	842-7439
Out-of-State Field Offices				
Sacramento Headquarters		1820 14th St., 95814	916	322-2010
Chicago, Illinois		150 N. Wacker Dr., Room 1550, 60606	312	782-7253
New York, N.Y.		675 Third Ave., Room 520, 10017	212	697-4680
Houston, Texas	(By appointment)	9800 Northwest Freeway, Brookhollow 2, Ste. 108, 77092	713	681-1106

Property Taxes Field Offices			
Eureka (Timber)	1656 Union Street, Room 120, 95501	707	445-2031
Fresno (Assessment Standards)	2550 Mariposa St., Room 2020, 93721	209	445-5305
Hayward (Assessment Standards—Valuation)	795 Fletcher Lane, 94544	415	881-3584
Redding (Timber)	2400 Washington Ave., Suite 210, 96001	916	225-2670
Sacramento (Assessment Standards)	1927 13th Street, 95814	916	445-4982
Orange (Assessment Standards)	140 S. Flower St., Suite 101	714	634-9133
Orange (Valuation)	140 S. Flower St., Suite 102	714	634-9118
Sacramento (Timber)	1325 S Street, 95814	916	445-6964

State Board of Equalization Field Offices

Out-of-State Business Taxes

Sacramento (Headquarters)
Chicago
Houston
New York

Board Members

Business Tax Field Offices
(May be more than one location within a county)

Property Tax Field Offices

Timber Tax Field Offices

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